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West Europe Report

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TEXT OF '17 NOVEMBER' COMMUNIQUE AFTER TSANTES SHOOTING

Athens MESIMVRINI in Greek 18 Nov 83 p 3

[Text] The determination that the weapon used to commit the murders of Tsantes and Veloutsos is the same one used to murder Wells, Mallios, Petrou and Stamoulis dominates yesterday's investigation by the Suburban Security to shed light on Tuesday's murderous attack.

The conclusion of the comparative examination of all the bullets that were found in the murderous attacks, whose responsibility was claimed by "17 November," was transmitted yesterday noon by the Criminal Identification Laboratory to the Suburban Security and it leaves no doubt as to the weapon's identity. This is a fact which indicates that the murderers are seeking to show their "identity" and to convince one that it was they who were the perpetrators and not other criminals.

On the one hand, the Suburban Security yesterday morning received the results of the examination of the "Vespa" and the helmets found Tuesday night in Ypsilandis Street in Psykhiko and which had unequivocally been used by the murderers for their cover-up and escape. As was made known, no fingerprints or other clues were found on either the "Vespa" or the helmets to permit the investigators to make any progress in their efforts to shed light on the new political murder.

Also yesterday, the residents of the areas from which the "Vespa" and the tags were stolen and the area where the "Vespa" was found were questioned; however, no one was able to provide any information capable of aiding the investigation.

Also taken to the Suburban Security were certain individuals, who, in the opinion of those conducting the investigation, may have some direct or indirect connection or may know something that may shed light on the matter which, however, is progressing, barring anything unforeseen, to the thick files on the unsolved murders.

The Communique

Yesterday, the "17 November" organization made public a communique whose full text is as follows:

"17 November" Revolutionary Organization

The bases are not going to be removed by elections and parliament, only the vigorous struggle of the masses and the just peoples' revolution violence will remove them.

Two years after the 1981 elections we decided to present briefly our evaluation of the present political situation and, at the same time, explain the reasons for our anti-imperialist action of peoples' violence today, as well as our absence until today from the pre-electoral period.

First of all, we must make it clear that we do not believe that the peoples' majority can ever express itself through elections endorsing a radical change in the social order in favor of socialism under conditions where, within a capitalist regime, a bourgeois ideology reigns and dominates by means of numerous ideological mechanisms--school, church, mass newsmedia, etc.--where the latter, by fostering the lowest and most contemptible instincts, make part of the people apathetic and, with a series of lies, silences and distortions, they cultivate the ignorance, the submissiveness, the confusion and the disorientation where bourgeois doctrine is spread daily from numerous directions, influencing, by various "familiar practices," even some of the people who are not backward. However, even if, as an exception, this could occur in some country, again we do not believe that the ruling class and imperialism would renounce their enormous economic privileges and would retire passively. Historical experience indicates precisely the opposite. In short, we do not believe in the peaceful parliamentary transition to socialism.

However, specifically during the 1981 elections in our country, for reasons related to the history and experiences of the peoples' movement in the past few decades, a majority of at least 63 percent voted in favor of a program which, while it may not have been actually socialistic, was, nevertheless, unequivocally and beyond details and verbalistic demagoguery, anti-monopolistic, anti-imperialist, and democratic in its basic premises. For this reason, our organization, despite the fact that it does not believe in the success of this program, nevertheless, respecting the popular decision and mandate for its implementation within the legal parliamentary framework, decided to temporarily postpone its activities in order not to create an additional obstacle.

Two years later the situation has become completely clear. This program has been torn to shreds. The anti-imperialist, anti-monopolistic, democratic change for which the people voted was changed into a policy that, behind an unbridled popular-sounding verbosity and various fireworks, does not differ, except in the details, from that of the ND.

Instead of attacking monopolies, there was compromise and submission. In a society with explosive mass contradictions and enormous financial scandals of the "banana-republic" type, where the biggest Greek capitalists, in addition to being gloomy exploiters, not to mention their responsibility for the thousands of workers who were murdered and crippled in the so-called "work accidents," are the country's greatest deceivers even under the criteria of bourgeois laws. While they enriched themselves by using loans, that is, the work of the people,

to build dozens of luxurious villas here and abroad, to swell their deposits in foreign banks while, on the other hand, they deliberately let their businesses become over-indebted by tens of billions of drachmas, PASOK found a real socialist solution: the enterprises must become competitive and, therefore, it is the workingman who must pay and not the capitalist. Salaries will be frozen, the standard of living of the workers will drop with inflation and, at the same time, production will increase. But, greater productivity, without modernization of capital equipment, without investments that are not made because we are in a crisis and the capitalists are over-indebted, means intensification of work, it means greater output, relative excess value, that is, greater exploitation of the working class. This is precisely what happened this year in the "socialized" PYRKAL. More and harder work, less goods. Goals that, with the present crisis, would have been impossible for the capitalists and the ND to achieve by themselves without bloodshed and open violence, were achieved by PASOK.

However, in order for this policy to have possibilities for success, it was necessary, on the one hand, to fabricate the fable of socialization and, on the other hand, to set off a few fireworks, ostensibly as a blow to the monopolies. Of course, at this point, the so-called democratic press, about which we will speak later, plays a significant role. The only things that are socialized, however, are the enormous business debts. The participation of technocrats and not of the workers in the production and the administration of the businesses do not change anything and, for this reason, they have been used for years in all the capitalist countries of the West. It was called participation and joint management, but no one had the impudence to call it socialization because it not only does not transfer the businesses to the control of society and the workers, but it reinforces the capitalist nature of the productive relations; it recreates the authoritarian working relations and the capitalist social divisions of work that is organized around the contradiction: on one side, the mental work, the technocrat directors who keep with special care the secret key to special knowledge and, on the other side, the normal labor, the workers in production who are deliberately kept in ignorance so that they may not be able to control effectively the production process, the means of production, the policy of the enterprise and of society. And, even if one or two workers participate in the administration, they do not represent the working class in view of the fact that they are bound by secrecy and, therefore, they cannot report to the workers' meeting, which thus becomes a farce, but capital in its two present forms, either private or state.

With regard to the ostensible blows to the monopolies by binding over to the courts, in certain cases, it is a matter of a new swindle at the expense of the people. Everyone, government, deputies, press, knows full well that the industrialists of the problem-ridden enterprises are seeking PASOK's solution: the sharing of debts and that, beyond certain minor disagreements, they are in agreement. However, they cannot crudely present this agreement to the people. Thus, it is presented carefully hidden behind block titles of binding over to the courts, the alleged exit prohibition, etc. This handling, and not the contents of the measures, is the only point on which SEV [Association of Greek Industrialists] disagrees. Everyone knows though that all this is a smoke-screen when we have a paralyzed state faced with one trillion drachmas that are

sent abroad each year in the same manner and that absolutely nothing will happen to the capitalists, as nothing happened to Andreadis, who was bound over last year for similar swindles. And they know that PASOK offers the best solution for them during the present phase of the economic crisis: the problem-ridden enterprises are operating with increased exploitation of the workers, the government pays the debts and they are made sound, it gives them absolution through the courts, trying thus to convert them from vulgar arch-swindlers into clean and honest entrepreneurs. At the same time, the capitalists holding the minority of shares, which allows them to return in the future, conserve considerable powers which, most of the time, in the context of the Greek "banana republic" and the generalized bribery of employees are converted into de facto power and control.

The contradictions of the system are such though that they cannot see that, instead of achieving with this policy the updating of capitalism so that it may function within the Western framework as they had in mind, the result is the total debasement and ridiculing of the state and, therefore, of state capitalism, the perpetuation of the "banana republic" type rule. The capitalists face it from Swiss chalets, laughing heartily and rubbing their hands, not only because of its impotence to catch them red-handed, but also because it is on its knees, paralyzed, the victim of their premeditated violation and it is paying for them. After such an example, a tremendous confession of impotence before the enormous scandals and the plundering in which the state itself has a hand in order to have, within the Western framework, a more updated state capitalism, they talk among the general corruption and rot, the plundering of everything and the generalized bribing of employees; what civil servant will dare to quarrel with them?

Despite all this artful charlatanism though, this policy does not wash. The people, in spite of the intellectual socialists who want them to be boss, insist on going on strike. The known, common-place, but effective, repressive measures tried by the Right must then be applied. Beatings of maritime workers by the Port Corps men, of striking workers in various factories, firings of labor union men, arrests, halings into court. Blows to the mass movement so that it would cower in the corner, so that it would be neutralized and there would be no instance of its independent intervention. Finally, the crowning blow, which was greeted with the proper enthusiasm by the entire Western European establishment as being the vanguard, the actual abolishment of the right to strike in the public sector under Article 4, about which a newspaper of the Right in an instance of sincerity wrote: "We must bless PASOK, the Right would have never been able to enact such a measure without bloodshed and violent clashes." Here, in addition to the method that was followed, when not only the opinion of the workers was not sought, but not even that of the appointed labor unionists, clearly demonstrated was the meaning of the famous verbosity about independent democratic labor unionism, free from state interventions and about peoples' participation: if the opinion of the workers is not even sought on a subject that is clearly their own, on how and by what process a call to strike is to be decided, a matter that concerns them exclusively, and they are instead given a dictatorial order from above, then on what subject is their opinion going to be sought? For absolutely no substantial matter.

However, the subject where deceit has surpassed all bounds is the implementation

of the pre-electoral, anti-imperialist program. The breaking of the ties of dependence, the "No" to EEC, the withdrawal from NATO, the closing of the bases were, on the contrary, converted into the agreement for the bases to remain. Here the first fraud of the breaking and violation of the program is converted into a second, into the false promise that they will be removed in 5 years. At this point, of course, the press surpassed itself. Along with the government it set out to convince one that the clash was averted. And, in an effort of unbridled self-promotion, they don't see that they reveal themselves as being swindlers who deceive the people who justly ask themselves: "If a clash was not attempted in 1981 with 63 percent of the people in favor of an anti-imperialist policy, now is it going to happen in 1988 with much weaker popular support?" Therefore, even then, the realism they invoke today will dictate surrender; nothing will happen and we will simply have a new fraud. We will not even touch upon the "in situ" matters, its non-renewability, the so-called control, the absence of essential protocols because it is an insult to the people's intelligence, to top it all, the technology we will receive, and we will become independent in 1988, a petard that only someone like Pattakos could set off. In essence, what was done with the bases and, as a whole during the 2 years, constitutes the largest post-war fraud perpetrated at the expense of the people.

This, though, means something else also. In view of the fact that we cannot withdraw from NATO, the EEC, throw out the bases with 63 percent of the people expressing themselves in favor of such a policy, means that not only socialism, but even the objective of national independence--which cannot, of course, be accomplished with the above-mentioned--cannot be conquered within the peaceful parliamentary, constitutional framework. This is the most outstanding, the most significant, historical lesson that life itself teaches, the experience of 2 years of PASOK, which has a tremendous historical, theoretical and practical significance and for this reason it is concealed by all the parties of the Left and its press.

The bankruptcy of the reformist policy, both of PASOK, KKE and the KKE (Int), is complete. The people may choose "democratically" among all political programs; however, one and only one policy will be implemented, no matter what program may be voted for by a majority; the policy of the ND, the only difference being the persons who will implement it. This is the fraud of the elections and of the post-junta, modern European bourgeois, parliamentary democracy in its pompous majesty.

This policy is not simply the management of capitalism, which is the classic role of reformist social-democracy; however, in addition, in the specific historical conditions of the countries of the dependent region and present economic crisis, it is condemned to reproduce the relations of dependence and submission and, on the other hand, the continuation and perpetuation of "banana tree" capitalism with enormous scandals and explosive class contradictions.

It is the bankruptcy of both KK's [Communist Parties], which, while they agree and are in actual alliance with PASOK, say that change is not moving forward because there is no unity and because it is not based on the popular movement, a position simultaneously demagogic and historically in error, demagogic because they did not initiate any substantial popular mobilization in order to oppose

this policy and impose another and only when the grassroots membership arose because of Article 4, did they hasten to march for appearance's sake and to cover up, and historically in error because, while on the one hand, there exist today in France unity and communist ministers, socialism does not advance a single millimeter; on the other hand, in Chile there existed both a popular movement, which had been mobilized, and unity and everything fell apart like a house of cards. What was lacking in Chile and that which is indispensably needed is what they do not want to say after they chose the peaceful transition: An armed people is a mobilized people. As long as there does not exist an armed mobilization of the masses, there will be no change.

Finally, this bankruptcy means that the vigorous supports of the social regime, the mechanisms of organized armed anti-popular violence and repression, both within the state machinery and that of imperialism, cannot be confronted with elections, votes, negotiations-bargainings and the collection of signatures. The 2 years of PASOK confirm absolutely the world-wide historical experience. Only just, popular violence can confront them. It is the only option that is left, the way of vigorous struggle of the masses, legal and illegal, and of the just revolutionary violence of the people.

Thus, we decided today to strike at one of the foremost military apparatuses of American imperialism in our country, the American Military Mission, by executing one of its prominent, higher cadres as well as his driver--his bodyguard. The American Military Mission, together with the entirety of the American Armed Forces and the other secret services, constitutes a force of occupation and terrorism of the people on an enormous scale. It is responsible for untold crimes against it, among them the coup of 1967, the tragedy of Cyprus in 1974 and the present continuous violations of our airspace and disputes over our sovereignty as much by American as by Turkish aircraft with continuous fifth column interventions, its local agents, in and out of the government apparatus. It decidedly influences the political economic, social and cultural life and is the first and foremost obstacle on the road to achieving national independence, the sovereignty of the people and socialism. As a consequence, one of the foremost duties in this struggle is to strike actively, and not only in words, at this military apparatus, the greatest enemy and terrorist of the people.

At the same time, these forces are an advance observation post, an indispensable support for military interventions against all the peoples of the area who are fighting for independence. Contrary to what the government maintains, the American aircraft took off recently from our airfields to transport the necessary military materiel which was used against the Lebanese people. It was from here that, for 3 months, the aircraft carriers passed and sallied forth to terrorize and threaten the people of Libya and it was from here that last year they coordinated and directed the huge forces which blockaded Beirut from the sea while their militarist allies from Israel were massacring, with the most modern American weaponry, the heroic Palestinian people.

Thus, our action is both a positive contribution to the internationalist solidarity struggle of the peoples of the area, who are fighting for independence, and to all the peoples in general, especially the peoples of Central America and El Salvador,

who are today in the front lines of the world-wide, armed anti-imperialist struggle. Here we must state that, when in 1975 we executed CIA Chief of Station Wells, Athens was the coordinating center of CIA interventions in Angola--a fact which we, of course, did not know at the time--where the people's revolutionary forces were in the final stages of taking over the government. This anti-imperialist action of ours created great confusion, great security problems, which slowed down considerably and hampered for a considerable time, the operation of this center, as the CIA itself admitted much later. Thus, despite what some clowns of Exarkheia maintained, in order to support their inactivity, that nothing is gained with one execution because imperialism immediately has a replacement, these actions create tremendous difficulties and obstacles for American imperialism and their increasing occurrence will bring about as a consequence the complete paralysis of its forces in our country. This, therefore, is one of the principal duties of those in our country who want to be called revolutionaries and of those who want to contribute, with actions and not merely words, to the peoples that fight against American imperialism. The best contribution is the struggle in your country against American imperialism.

On the other hand, these dynamic actions of the people are not a new phenomenon. They first made their appearance during the dictatorship and continued, with increasing intensity, during the entire time of the political reform. During this entire period we had hundreds of these violent, anti-imperialist strikes against American cars from the base, multinational banks, PX's, the embassy, the consulates, even inside the bases. No other political objective in our country drew so much fire from the peoples' violent, extra-parliamentary actions. This struggle must not only continue, but must rise to higher levels.

Finally, we must say a few words about the press. With the 1974 political reform, the ideological apparatuses were upgraded and their role strengthened in the perpetuation of the rules of operation of the system. The ideological apparatuses have about the same significance for the present regime as the classic repressive apparatus. Among them, the mass media of information, and especially the press, play a primary role. However, in its efforts to fulfill this function within the specific conditions of today's Greek society, it reaches tragicomic situations. The newspapers literally write whatever they fancy; they do not hesitate to tell the basest lies.

The result is, that instead of the press and the reporters, there exist today advertising firms and employees who work according to criteria for the advertising of products and public relations. These employees, and especially the higher-ups who make the decisions, with the enormous salaries and benefits that have been given to them, are controlled, either directly or indirectly, by the state, with the result that they have no interest whatsoever, even marginally, in checking and criticizing the bourgeois context. In view of the fact that they have to sell their product, their democracy without problems, they don't hesitate to erase social tensions by using their "deus ex machina" formula: there are no fighters, only anarchist provocateurs or "dark cycles of abnormality." To turn facts upsidedown, as in the Wells case, where for a year, all newspapers without exception wrote fiction, saying that it was a settling of accounts of the CIA. To create the deification and the personality cult in the

style of the dictatorship of a politician like Karamanlis, known to the people since the 1955-1963 period, but concealing his responsibility for the problem-ridden companies and other financial scandals that can be compared only to those of the dictatorship. To keep silent about enormous scandals (Rallis-Lacoste, tax evasion of 3 billion by Christina Onassis) or to tell lies and deceive the people, when the facts were revealed and they could no longer be concealed that the culprits would be allegedly punished--the Onassis villa would be confiscated, etc.--The people read these stories and laugh.

The role of the press today is to blunt the class contradictions, to contribute decidedly to the social coherence and agreement of the regime and, therefore, is one of its foremost supporters. In this role, former leftist newspapermen play a leading part (we say former because what counts is the social practice of support of the regime and not what they say) as if they exploited the internal contradictions in reality; however, the regime uses them to support it decisively. It uses their identity as former leftists and their names to effectively disseminate what the rightist newspapermen cannot do. For this reason, the regime, recognizing this priceless service they perform, has rewarded them splendidly. Nothing is more revolting than the sight of dozens of newspapermen who, with insolence and self-importance to spare, rub elbows in the press rooms with the ministers daily, acting out with them the comedy of an alleged information while they compete on who is going to find the most appropriate question so that there will be no answer. They ask, they talk, they write, they comment without saying anything. Nothing is more ridiculous than the oversensitivity which affects them as if they were innocent doves calling on ethics when they oppose each other in their mutual sneakiness while they are immersed up to their necks in lies, corruption, rottenness and careerism which reign in all the upper strata of public and private life.

It is impossible, at this point, not to be reminded of what Lenin said in April 1906 in his work "The Victory of the Cadets and the Duties of the Workers' Party" (Volume XII, pp 304-306). Writing in favor of the boycott of the first Duma, he said that there are conditions where, in the conflict between the democratic progressive newspapers and the reactionary ones, the latter play a progressive role and the former, the reactionary one. "This," he said, "may appear to be a paradox, but it is only for those who are totally unable to think dialectically." In today's situation, this reasoning is applied absolutely in the case of the American bases. Among the democratic progressive newspapers (except for RIZOSPASTIS) that say the bases will be removed in 5 years and the reactionary right-wing ones that say the bases will not be removed, the latter play the progressive role because they "tell the truth," "they reveal the self-deception" and "can show themselves, under these conditions, to be much more useful informants that develop class and political conscience," than the democratic, progressive ones that tell "a beautiful lie, professionally polished" and they put the people to sleep by cultivating the false impression that the bases will be removed. This alone shows in what a tragic condition the so-called democratic press finds itself as well as the people who are forced to get the true information from the known right-wing, black reactionary press.

At this point, we are obliged to give warning because in the past, with the method of unsigned articles, several nasty things, passed on to reporters by

the cops and the CIA, were written against us. From now on, for whatever unsigned article in which a) there is mud, slander, plainly clear lies, which are passed on by the cops, b) we are charged with attributed provocative actions with which we not only had no connection, as all the press knows, but we have sometimes condemned, c) there are statements taken out of context that alter the meaning and content, we will hold responsible for this deception the owner of the newspaper, the editor-in-chief or editorial director and the police reporter. We are not speaking, of course, about political criticism and controversy.

We call on all fighters to realize that nothing is achieved through the parties of the Left. PASOK has shown its real face and those who talk about conferences are deceiving. It was shown by the mass expulsions of hundreds of fighters, dozens of local organizations, the most genuine and the most militant. We call on the grassroots members of the KKE to become aware that there is no room for any other policy within this parliamentary system, and, therefore, the criticism of the leadership for the rightist line of PASOK and for another leftist line is, on the one hand, demagoguery and, on the other hand, a cover-up of its responsibilities for the present situation and Article 4. The KKE is, in effect, in an alliance with PASOK. We call on all of the above, all the uncommitted, all the members of the extra-parliamentary Left, the groups of peoples' revolutionary violence, to mobilize vigorously, either among the masses or in actions of peoples' violence. To see very clearly that the dilemma that struggling means helping the Right is false. Because the unconcealed American domination and submission are condemned in our country, their days are numbered. Its future application would have, as a consequence, to bring more fighters to the fore. Today, the only way to perpetuate dependence, submission and the bases is the logical, rational policy of the control of the bases, the non-renewability of the agreement, the closing down in 5 years, the verbal fireworks. This policy is a policy of the Right that not only violates the popular mandate of the 1981 elections, but, in addition, buries long years of hard struggles by the people for independence, having the impudence to speculate. It does not respect the bloodshed during the heroic struggles of EAM [National Liberation Front] and the Polytechnic. These struggles are, among other things, struggles for national independence, an objective which will not be achieved so long as there exist foreign bases. Therefore, there is nothing more damaging today, nothing betrays these struggles more than their alleged justification, the sham, the false achievement of the objective.

It is the duty of all of us to fight against this policy, which attempts to bury, to bend the long years of anti-imperialist struggle by the people. However, just as the dictatorship and the democracy of Karamanlis did not bend it, so the socialism of Papandreou will not attain it.

The greatest terrorist of the people is American imperialism. Death to American imperialism. The struggle continues.

"17 November"

October 1983

STORTING TAKING MEASURES TO IMPROVE OWN SECURITY

Oslo AFTENPOSTEN in Norwegian 4 Jan 84 p 3

[Article by Liv Hegna: "The Storting's Security Increased"]

[Text] The Storting is stepping up its own security service. It will hire as soon as possible its own security chief who will be in charge of an expansion of security installations. The executive committee of the Storting specifies: The appearance of "open house" will be maintained. Over a number of years, however, the Storting has been plagued by demonstrators who have forced their way into the building. However, what accelerated the work to increase security was the blowing up of a Storting member's car in 1982.

Representative Anne-Lise Bakken's car stood parked just outside the building when awhile ago it was blown into bits. The people's representatives naturally cannot be completely protected from things like that. The idea with hiring the new security chief is, nevertheless, that the security of people within the four walls of the building can be improved. According to what AFTENPOSTEN has learned, there will be no changes in the details of the facade. The representatives, the employees and the public will primarily experience a new "sluice system" which will be built in immediate proximity to the specially marked entrances.

The new security chief will also be responsible for an extensive electronic surveillance system with, among other things, many TV cameras.

According to the announcement for the position, applicants should have an extensive background and experience in guard and security work from the defense establishment, the police or institutions and firms which work in the field of security.

Anyone who has employment which takes them from time to time to the Storting has noted an increased tendency to use security measures, for example, the requirement for identification in the vestibule.

In addition, recently, the rule has been instituted that a person indicates to whom he wants to speak. That person is telephoned and then personally fetches the visitor. This more "personal" security check has much to

recommend itself, but it is perhaps time-consuming, especially for representatives who have been allotted offices in more remote corners of the Storting building itself or in Alliance-Garden. The new more technical system will possibly be able to provide relief in this connection.

The Storting's office has informed AFTENPOSTEN that it has not yet been decided to what degree the security service will be completely electronic.

Up to now Securitas guards have helped guard watches. No decision has been yet made to what extent this system will disappear and one will completely rely upon one's own resources.

What is clear is that the new security chief will have the responsibility for organizing and expanding security for the representatives and employees of the Storting.

6893

CSO: 3639/53

BASQUE INDUSTRIALISTS, BANKERS PROBABLE GAL BACKERS

Hamburg DER SPIEGEL in German 16 Jan 84 pp 116-117

[Report: "An Eye for an Eye"]

[Excerpts] Two weeks after the shots in San Sebastian [fired by members of ETA and killing two members of the Policia Nacional], Mikel Antonio Goikoetxea, 27, one of the ETA leaders most wanted by the Spanish police, was shot and killed by two unknown sharpshooters.

An "Antiterrorist Liberation Group" (GAL) no one had ever heard of claimed credit for the deed.

For the first time ETA, which so often has cornered the Spanish Government with its acts of terrorism, has to deal with terrorism itself. "An eye for an eye, a tooth for a tooth" had been the threat issued by the GAL group to the Basque separatists in early December, and immediately carried it out.

GAL retaliates with mathematical exactitude. For example, when ETA activists shot and killed a member of the Civil Guard in Basque country in Spain, the next day a member of the terrorist organization died under a hail of bullets fired by GAL avengers in Basque country in France.

Insecurity spread among the approximately 1,000 ETA members who had previously found a comfortable and--they thought--safe refuge from Spanish police in southern France. The most important ETA leaders went underground. "The remainder of the 'Ettarras' who have fled from Spain are living here in fear and panic," reported the paper SUD-QUEST from Bordeaux.

So far France had generously allowed ETA members to hide out as "political refugees" and had also tacitly condoned their preparing new attacks from their French hideouts.

In France's generosity toward the Basque terrorists was methodical: Paris bought itself a guarantee from the ETA activists that they would keep quiet in Basque country in France.

French patience with the ETA Basques appears to be at an end, however. Last week French police arrested 14 members of Basque separatist groups. Six of

these (persons who, according to a spokesman in Paris, the Spanish Government had "requested be expelled from the French Basque territory") were exiled to the French Caribbean possession of Guadeloupe. The two most important ETA leaders managed to escape in the last minute, however.

The French action confirmed ETA supporters in southern France and in Basque country in Spain in the belief that the GAL killers are Spanish police murdering their leaders by order of the Socialist government of Prime Minister Felipe Gonzales.

This theory also appears to be the most plausible to such peaceable Basques as Xavier Arzalluz, secretary general of the Basque National Party (PNV). He does not want to rule out the possibility that official government agencies in Madrid are proceeding against the ETA.

The Basque guerrillas were unable to provide proof of participation by the Spanish authorities, however. They also deliberately maintain a careful silence about the fact that the traces of GAL point in quite a different direction. A year ago already, a former head of the intelligence section of the antiterrorism department of the Ministry of the Interior in Madrid divulged that "Basque industrialists are hiring volunteers to eliminate ETA leaders in southern France."

The Madrid official did not forget to make the saving remark that "the government has nothing to do with the matter, because if it did it would place itself on the level of the terrorists."

Is it for that reason that business in Basque territory resorted to self-help? The fact is that it is the one to suffer most from ETA terrorism. There is hardly a businessman who has not been summoned by the ETA across the border to St-Jean-de-Luz to pay his "revolution tax" there.

Whoever does not pay has to reckon with an early violent death. A total of 34 small and medium businessmen have already been shot and killed, whereas rich, large-scale industrialists have definite chances of surviving. Usually they are kidnapped and then released for ransom. About 1.7 billion pesetas (DM 30 million) have reached the ETA this way in the past couple of years, according to the estimate of a terrorism investigator in Bilbao.

This practice almost did away with a desire to invest in Basque territory. At one time the richest industrial province in Spain, Vizcaya now occupies ninth place. Unemployment is about 20 percent.

After the debilitated region, on top of that, suffered devastating floods last year, ruining many businessmen, the ETA blackmailers in need of money looked for other victims and turned to the country's big banks with their demands for payments.

The guerrillas set the amount to be levied in the way of a revolution tax at 25 million pesetas (DM 430,000) per supervisory board member. But, in

line with an internal agreement, so far no banker has paid the fee into the ETA coffers.

The result was violence and death. Within a few months 159 bank branches in Basque territory were destroyed by explosives (damage: DM 12 million), with 4 people killed in conjunction with it.

In light of this situation, says a Bilbao industrialist, enough capital has now been accumulated for paying high head money for the death of ETA terrorists.

8790

CSO: 3620/140

SPITAELS ON COALITION, ELECTION PROSPECTS, STEEL INDUSTRY

Brussels LA LIBRE BELGIQUE in French 12 Jan 84 p 3

[Interview of Socialist Party (PS) President Guy Spitaels by G. Dz and A. M.; date and place not specified]

[Text] We have oriented this interview with Socialist Party President Spitaels to the many questions that come to mind now, at the beginning of the year.

[Question] Steel is facing a new "decisive" week with the agreement expected Friday between the Belgian and Luxembourg Governments on coordination [Fr: synergies].

[Answer] First, I would like to repeat three points:

1. As Mr Eyskens said in an interview, "They had to give in." In fact, however you look at it, the Walloons are henceforth paying alone for their iron and steel industry, while continuing to finance the Limbourg mines, the naval shipyards, and the textile industry, more than 80 percent of which is in Flanders.

2. The inheritance taxes will be inadequate, and funds are being obtained, and will be obtained, elsewhere, on the other investments in Wallonia.

3. The Walloons yielded on the key point of division, which was lowered from 39.3 to 36.7 percent: they thus lost 2.6 percent.

As for the most recent developments:

1. Sidmar has been recapitalized. The same is true for Cockerill-Sambre also, but with two additional conditions, agreement on coordination and above all on reduction of worker remuneration.

2. The major danger is the inequality of treatment for the Walloon basins and Sidmar. Certainly, some explanations have been forthcoming regarding Charleroi and Liege, with Messrs Gol and Maystadt serving as spokesmen. I recognize this. However, at the same time, Wednesday morning's STANDAARD sees in the new document some progress for Flanders in that Sidmar is limited less in its expansion. Christian People's Party (CVP) Deputy Dupre told the GAZET VAN ANTWERPEN that the Flemish requests were specifically followed..

c. The financing is regional, but national authorities will decide on use of the Walloon funds.

I am not just making random statements as a member of the opposition. I remind you of the view expressed by Baron Clerdent that appeared in your paper on Wednesday and his analysis of the freedom allowed to Sidmar.

I do not believe the reassuring rationale about a healthy division of labor. This is essentially an agreement between companies, and no one will resist a company that has the financial resources. All this is extremely worrisome.

Fourons Blackmail

[Question] Would you like to make a new prediction about the survival of the government? On 1 July you told us that it would get through the summer and no doubt continue until the end of the legislature term.

[Answer] You described my suggestion as realistic and the government did get through the summer. As for the present, I do not believe that the steel agreement could undermine it, because it would be dangerous for the majority to seek the verdict of the electorate on the subject. However, what is new is the tensions within the majority... It is not a basic issue, but rather team morale. The first year of Martens V was a good one for the government, but the second half of 1983 has seen the emergence of some centrifugal forces. And as we well know, a government never falls from the outside...

[Question] But yet...

[Answer] I have a more reserved view in respect to a double relationship within the majority. First, one of the partners has the wind in its sails and the other does not. Also, as all available information and polls on the subject agree, this introduces a dynamic among French-speaking partners that was not present at the outset of the government.

Furthermore, the Happart affair is very curious. The behavior of the Limbourg permanent representation, almost an absolute majority of them CVP members, is indeed significant; it is as if, after the event, we were given a clarification regarding the silences of December. I have not been in the Fourons since 1963, when I demonstrated there with the Walloon People's Movement. However, if legal procedure is violated in the Happart case, I will go along with my friends in the Fourons. I would like to believe that the principles of democracy and a state of law are not going to be mocked in this area. However, everything is happening as if Flemish opinion or a certain Flemish opinion were seeking grounds for something...

Blackmail over the Cockerill-Sambre failure in order to gain compensation in the Happart-Fourons context would be a repetition of previous events that would be very serious for the confidence among partners within the state.

Interim Government?

[Question] You yourself said that a government never falls from outside. Yet, the quality of your opposition has been questioned.

[Answer] Ours is a responsible opposition and I am profoundly convinced that we influence governmental action. Take, for example, our proposals for selective stimulation in new expenditures, those on construction. These ideas put pressure on the government, and they made their mark.

The factors in the crisis have changed in 2 years and we are going to update the details of our selective stimulation proposals. And when there is an election occasion, we will speak in a very simple way about what is possible and what is not.

[Question] Election occasion? Does that mean that the Socialist Party would not enter a coalition without an election?

[Answer] Everything points to a positive response, since only some 15 months remain if the legislature completes its term. However, I would not make such a categorical reply. We are in favor of revision of certain articles of the Constitution and this cannot be done unless there is a revision declaration. Although I regard this eventuality as extremely unlikely, I would not cut myself off from the possibility of having some future action--for example, making education a community function--by depriving myself of the means at the start. Anything can happen...

European Elections

[Question] The European elections are fast approaching. What do you think about a possible "twinning" of the European and legislature votes? How far advanced is the Socialist Party slate?

[Answer] In regard to the twinning, I will say that the issue is being handled within the government camp. We are not involved at all in the maneuver.

As for the Socialist Party list for the European election, the procedure got underway a few days ago. Nominations will be received until mid-February through the sections and federations. The Bureau will then draw up a list that will be submitted to the General Council. It will be finally decided in March.

[Question] A slate with or without Guy Spitaels?

[Answer] I do not wish to accumulate mandates. Also, it is impossible. Nor do I want to produce useless weapons, or to be disarmed, if certain events occur.

[Question] Could such events be the candidature of Gol or Martens?

[Answer] For example...

Bipolarization

[Question] Polls are in agreement in showing a bipolarization phenomenon on the Belgian political map. Would not the Socialist Party be very embarrassed if tomorrow it was able to choose only the liberals as partners?

[Answer] Perpignan station is not the center of the world. The bipolarization phenomenon is a general one. It is due to the crisis, which calls for straightforward and clearly defined choices. See what has happened in Denmark, where the clearly conservative parties have won out.

The Social Christian Party (PSC) has always wanted to be the "center-center." In a situation such as we are experiencing, what is happening to it is no different from what is occurring abroad.

Ever since the beginning of the legislature term, I have been saying--and not out of tactical prudence--that what matters to us is to restore hope to the labor world, to recreate employment, and, having learned from experience, to give more autonomy to the French community and the Walloon region to manage their affairs. We have neither permanent allies nor enemies, only permanent interests. Our faithfulness to principles takes precedence over opportunities and sympathies. Thus, I am in no way committed.

[Question] The presidents of the PSC and the Party of Reform and Liberty (PRL) are saying that they are prepared, if the electors give them the mandate, to maintain the present coalition beyond the current legislature term...

[Answer] We are familiar with the saying: "An honest woman does not talk about her virtue." If the intentions of these presidents were based on such great, unconditional fidelity, in relation to each other, I am not convinced that it would be useful for them to remind us of it at every press conference, every interview. After all, only one thing counts: the election results. After that, we will see...

[Question] Some are talking about a rapprochement between socialists and liberals under the cloak of a "lay front"...

[Answer] What appear dangerous to me are the initiatives of some PSC deputies. The initiative of the deputy-burgomaster of Mouscron, for example, seems to me to have some worrying aspects. It is clear, however, that we cannot revert to a situation like that between 1954 and 1958. (Editor's note: The "scholastic war.")

[Question] A movement like the Solidarity and Participation (SEP), although it regards itself as to the left, criticizes the Socialist Party for its monolithic and intolerant aspect...

[Answer] This criticism makes me very angry. Which parties at the beginning of the century rejected appointment of socialist burgomasters? What are we now witnessing in the current government's appointment policy? And what can we say about what is happening in regard to selecting Temporary Special Staff? If half were established in Wallonia, what press campaigns would be unleashed against us?

Asymmetrical Government

[Question] There has been considerable attention to the idea proposed by Messrs Van der Biest and Cools of a government in which the Socialist Party (PS) would participate without its Flemish counterpart Socialist Party (SP), what has been called the "asymmetrical" government.

[Answer] I am not behind these approaches. If I have something to say, I say it, and do not have committees set up.

I like to be in a party in which the congresses and councils speak out clearly. When Cools talks about a "deal" or Van der Biest about "asymmetry," they should explain themselves. The procedural votes that link the action are something else.

Personally, I think that we should not favor asymmetry. It would probably be a tactical mistake. If you ask me whether I am against it, I will answer that it all appears to me--barring the unexpected--that we are reaching that point...

[Question] Are the relations more tense between the Socialist Party and the SP than in other organizations?

[Answer] Our positions are not identical: on defense, economic policy, and community role. It can be imperative for the leading part of a community to take a step that another part can perhaps not undertake. However, we are not the only ones affected by this problem.

The PSC--and I do not want to raise a controversy--is the seventh Belgian party. If it suffered a new setback, I am not sure that its active members and middle-level staff would stamp their feet with impatience to stick their neck out again in a new government experiment.

I would note finally that the Party of Freedom and Progress (PVV), with its leader among those who are going to count more and more tomorrow, is characterized by a doctrinaire attitude (companies, social security) that is not exactly that of the Party of Reform and Liberty (PRL).

"Study Center"

[Question] Has your attitude changed in respect to the Study Center for state reform?

[Answer] We are facing circumstances such that I do not see what I would accomplish in a seminar. My problem is still to see the leaders of the other French-speaking parties and to establish, without anyone imposing his own point of view, the level below which we will not go. That remains a prerequisite for participation in the "Poullet Center."

Why are the three Flemish presidents able to get together and not we?

The presidents of the PRL and the PSC behave as if I did not exist. Allow me simply to recall that Vanden Boeynants, when he was PSC president, came to my office, in the party, to talk about the Regional Computer Office (ORI). All he said was: "I am coming to see you, my boy; we should talk." Another time...

Belgian Franc

[Question] In conclusion, the financial situation...

[Answer] I can only express to you my agreement with the articles in LA LIBRE BELGIQUE. According to one, "The observer has the feeling that the correction of public finances has run out of steam before really getting started." The other states: "The impression is becoming more and more clear that the government is not prepared to conduct a genuine reform; one will end up concluding that the public finances problem is too much for it."

Look at the deficits, which have not changed and continue to be 13 percent of the GNP (307 billion in 1982, 531 in 1983, and 560--and not the 507 announced--this year). The increase in the foreign debt has not been halted, on the contrary.

It is my right to talk this way. Why could the liberal Knoops make an interpellation in 1981 on the "the country's deplorable financial situation"? I have never made an interpellation. Why could Public Works Minister Olivier state a few days ago that "The only major problem in 1984 is defense of the franc"? Yet the president of the main opposition party could not speak about the financial problem? They should not exaggerate! People are well aware that the franc has been slipping for several months in the European monetary system.

9920

CS0: 3619/25

INTERVIEW WITH GREEK-CYPRIOT FOREIGN MINISTER MARKIDES

London AL-TADAMUN in Arabic 24 Dec 83 pp 13-14

[Interview with Faniyas Markides, the Greek-Cypriot foreign minister, by 'Afaf Zayn: "The Cypriot Foreign Secretary to AL-TADAMUN: 'The Situation on Cyprus Is Worse Than That in South Africa; It Is No Better Than the West Bank''"; in Nicosia, date not specified]

[Text] Since the dawn of history, anyone with ambitions in the Arab world has realized the strategic importance of the island of Cyprus with respect to the Arab region. Cyprus, which has paid and is still paying a high price for the Turkish-Greek contradiction, is tantamount to the European version of the Lebanese problem.

The simultaneity of the Turkish invasion of the island in 1974 and the explosion of the Lebanese war has caused the two problems to be linked together in a strange sort of union. This similarity and congruence are deepened by the fact that Cyprus, like Lebanon, is a conglomeration of sectarian and ethnic minorities, each of which is culturally distinct. This diversity has been a two-edged sword. One edge has been the curse of the "foreign guarantees" which have plagued the minorities making up the two tortured countries of Cyprus and Lebanon.

The "Cyprusization of Lebanon and the Lebanonization of Cyprus" is a new way to express the similarity and congruence which mark the fates of the two countries. As the "mountain war" was quickening the pace of events in Lebanon, the declaration of the "Turkish state" in northern Cyprus was causing more displacement and uprooting on the island which floats off the Syrian coast like a battleship laden with explosiveness and beauty.

AL-TADAMUN went to meet the Cypriot foreign secretary in order to ask him for more information and analysis concerning the Cypriot problem, which is linked to our country by more than mere congruence and similarity. Here is the text of the interview:

Before the declaration of the Turkish state in the occupied northern section of Cyprus, the solution was ready and in the hands of the secretary general of the United Nations, who put the finishing touches on it during his talks with Cypriot President Kyprianou, with whom he met during the last non-aligned summit

conference in New Delhi. During that meeting between DeCuellar and the Cypriot president, Kyprianou, who was hoping for a peaceful solution to the Cypriot problem, expressed to the secretary general his fears and worry about the course of the negotiations between the two Cypriot sects being impeded. Some Turkish newspapers leaked the details of the proposed solution which Kyprianou accepted and Denktas rejected when he visited the United Nations at the special invitation of the secretary general.

When we asked the Cypriot foreign secretary about the proposed solution which was being discussed before the declaration of the so-called ministrate in northern Cyprus, he said that it had not been unveiled in Nicosia, and that it would be inappropriate to talk about any kind of negotiations or talks before the Ankara government withdrew its recognition of the Turkish ministrate.

[Question] When we asked the Cypriot foreign minister whether Cyprus had fallen into a state of no-war and no-peace, Fani Markides said:

[Answer] We are hoping for a peaceful solution which will satisfy all the parties. However, it is clear that the declaration of the Turkish republic in the occupied northern section of Cyprus is a violation of international law, the UN Charter, and the 1960 treaties. It is also completely opposed to the foundation on which the talks between the two Cypriot factions are based.

The Cypriot foreign minister went on to say:

We want to achieve a peaceful solution to our problem via the United Nations. We have obtained a Security Council resolution stating that the declaration of the Turkish state was illegal and that no state should recognize it. This international consensus we have realized amounts to a great and valuable achievement for our cause. We will insist on and adhere to this resolution. I believe that our policy is wise, since it will embarrass the Turks. They are deriving no benefit from their recent step of declaring a ministrate in the occupied Cypriot sector.

[Question] We asked Mr Fani Markides to what extent the government of Cyprus still considered Turkey a guarantor state for the independence of Cyprus, now that it has hastened to recognize the ministrate of Ra'uf Denktas. Mr Fani Markides responded by saying:

[Answer] It has become clear to us that Turkey is no longer a guarantor state of the independence of Cyprus. Since the Turkish invasion of 1974, the Turks have used their guarantor status to justify their invasion of Cypriot territory. They said they came to Cyprus to save its independence and unity. At the same time, they said they were undertaking a peace operation. It was a peace operation to the extent that 700 Cypriots were killed during it. This is a very large number with respect to the Greek Cypriot population.

Now Denktas is talking about the liberated areas and the non-liberated areas. The odd thing is that by the liberated areas he means the places occupied by the Turkish army. As Cypriots, we see ourselves in a worse situation than that of the blacks in South Africa or the Arabs of the West Bank. The Turks are

building settlements and bringing inhabitants for them from the heart of Turkey. They expropriate the houses of Greek Cypriots and place Turkish settlers in them. Nevertheless, they cannot stop talking about the right to self-determination. Where is self-determination in a state which ignores the will of 82 percent of its population?

The Cypriot official affirmed the following:

We will not resume the negotiations until a return is made to the natural situation. With respect to us, a natural situation means that Turkey will withdraw its forces and its recognition of the so-called ministate. Negotiations were proceeding between the two Cypriot factions, the Greeks and the Turks, but the Turkish government worked hard to see that no solution was produced by the talks.

[Question] However, official Turkish recognition of the ministate in northern Cyprus, which the Government of Cyprus insists must be withdrawn as a basic condition for the resumption of negotiations, was followed by a statement from the Turkish foreign minister, Mr Ilbar Turkman. In it, he expressed his government's desire to leave the door to negotiations wide open. The Cypriot foreign minister, Mr Fantias Markides, speaks with great caution and doubt about this official Turkish desire, which he sees as just a kind of maneuver. In addition, he sees a strange, confusing and very meaningful similarity between what is happening on Cyprus and what is going on in the Middle East.

The comparison made by the Cypriot foreign secretary between what is happening on Cyprus and what is going on in the Middle East, in addition to the suspicious timing of the declaration of the ministate in northern Cyprus, caused us to recall what has been said about the "Cyprusization of Lebanon." Therefore, we asked him for his opinion on what one of the parties to the Lebanese war had said about the "Lebanonization of Cyprus and the Cyprusization of Lebanon" in his private councils. Fantias Markides responded by saying:

[Answer] This is largely correct. The Turks were hatching a plot. The policy they are following in the Turkish sector of Cyprus amounts to the same tactics they used in the annexation of the district of Alexandretta in 1938. It is enough to note the following here:

First: they abandoned their commitments vis-a-vis the district of Alexandretta, which they had promised to respect in accordance with the Lausanne Treaty of 1923. In this treaty, Syria was declared to be a state independent from the Ottoman Empire. They did the same thing with respect to Cyprus by abandoning the commitments they promised to honor in the agreement of 1960 with Britain and Greece.

Second: the Turks said they wanted a special system in Alexandretta which would be applied to the Turkish citizens living in Syrian territory. In the same way, they have tried to apply a special system to the Turks of Cyprus. They said it was necessary for them to have special rights, and they gained these rights in the constitution of 1960 with the agreement of the late President Makarios and the Greek faction.

The Turks used the language of special rights for the Turkish inhabitants of the Alexandretta district in order to annex it. Now they are using the same language to sabotage the Cypriot state. They have tried to make it seem as if the Greek Cypriots do not want to coexist with the Turks, so that they could confirm the existence of a special entity for them. The Cypriot constitution of 1960 guaranteed them their identity and their political, religious and cultural rights.

The second stage with respect to Syria came when the Turks declared the district of Alexandretta to be a semi-autonomous Turkish region. Now they declare that the northern sector of the Cypriot state is an independent entity separate from the island and its government.

The third and final stage came when the Turks annexed the district of Alexandretta. We expect them to take a similar step with respect to the occupied northern sector of Cyprus. We have gone the whole way with the Turks. We suggested the declaration of two regions in Cyprus, with one having a Turkish majority and the other a Greek majority. However, they rejected even this concession, because they want to separate the Turkish sector completely. Turkey's goal is expansion on Cypriot territory. The proof of this is that the new Turkish prime minister, Mr Ozal, admitted a few days ago that Turkey's presence on Cypriot territory was essential for her security, due to geopolitical reasons. That is, although they said in the beginning that the presence of the Turkish army on Cypriot territory was necessary to protect Turkish Cypriots, they now state that their presence on Cypriot territory is essential for the protection of Turkey itself.

[Question] The Cypriot foreign minister had this to say about the vagueness of the positions taken by the North Atlantic Treaty Organization [NATO], and the question of to what extent the alliance encourages the Turks in their policies while provoking the Greeks:

[Answer] Insofar as the declaration of the so-called ministate is concerned, none of the international organizations reacted indecisively. This includes the NATO countries. Their position on our cause was positive this time.

[Question] Although Mr Markides did not go very far in his analysis of NATO's position on the declaration of the Turkish ministate in northern Cyprus, he did agree with us concerning the suspicious timing of the declaration. He had the following to say about the atmosphere in which the ministate in northern Cyprus was declared and the series of campaigns launched by the United States to reinforce its positions in the Middle East?

[Answer] I can confirm that Turkey has made plans to swallow part of Cyprus. However, it is difficult to evaluate the situation precisely and make a statement about it right now. The situation is very confused.

[Question] On the basis of the Cypriot foreign minister's remarks on the similarity which exists between the Cypriot and Middle Eastern situations in general, and between what is happening in Cyprus and what is going on in Lebanon in particular, we asked him how the ethnic-political separation on Cyprus

affected the Middle East. We also asked him whether this separation marked the beginning of the drawing of a new political map for the region based on ethnicity and sectarianism.

[Answer] I definitely hope that the situation will not be as you say. We are for unity. We believe in unity. We do not want to see the plan for the partition and fragmentation of the region continue. I believe that people who differ with regard to culture and have different origins, ethnic backgrounds, religions and political orientation can live harmoniously together in a single, splendid cultural fabric marked by variety and differences and full of richness, nobility and diversity. In so doing, they can make this difference and variation into a tool for causing their societies and civilization to flourish. Our historical heritage confirms our belief in the unity of our society and its diverse unity. We do not say this for purposes of propaganda and pretense. Rather, we believe in unity based on diversity. And we practice it.

[Question] We agreed with Mr Markides in our discussion of Cypriot-Arab relations, which are very harmonious, especially since Cyprus has supported the Arab position on various issues and problems in the Arab world. For this reason, we asked the Cypriot foreign minister about reactions to the fact that some Arab states had refrained from voting on the United Nations resolution calling for non-recognition of the Turkish ministate in the occupied section of Cyprus. We also asked him about what means he thought could be used to strengthen Arab-Cypriot relations, so that they would not be afflicted by a sudden deterioration.

[Answer] I am not sure it is useful to make a statement on these things right now. However, I believe that this abstention on a matter of life or death with respect to our country is inconsistent with the positions in support of the Arabs which we have always taken.

[Question] Finally, we asked Mr Fani Markides whether his government had contacted the Arab states with which it has friendly relations after the declaration of the Turkish ministate.

[Answer] Practically speaking, we are in contact with all the Arab states. We have informed them of our demands. We have asked for their help in many affairs and their response has been good. They promised not to recognize the new ministate. This is a legitimate response in favor of our cause, and we are thankful for it. I would like to send a message to the Arab Nation through AL-TADAMUN: We will support its just causes with all our heart and all the means at our disposal. We will spare no effort in supporting and backing them.

The Proposed Solution Which Kyprianou Accepted and Denktas Rejected

Here are the details of the proposed solution which the secretary general had prepared before the declaration of the so-called ministate in northern Cyprus. AL-TADAMUN acquired it from an official Cypriot source who refused to state his name.

This proposal included a number of options, which we have listed as follows:

- Equal representation in the senate for the two sects, with each taking 50 percent.

- the formation of a unified house of representatives, with 30 percent of the seats going to the Turks and 70 percent to the Greek Cypriots.

In addition to this proposed solution, the secretary general offered two alternate proposals as material for negotiations.

The First Proposal:

- A superior chamber for senators, with 50 percent going to each sect.

- A house of representatives, with 30 percent going to the Turkish Cypriots and 70 percent to the Greek Cypriots.

The Second Proposal:

- Equal representation in the senate, with 50 percent going to each sect.

- A popularly elected house of representatives.

As for the executive authority, it would be embodied as follows:

- Each sector would have a prime minister, to whom the responsibility of the presidency of the republic would be delegated.

or:

- The president would come from the Greek Cypriot majority, with a Turkish vice president assisting him, as was the case in the past.

12224

CSC: 4404/230

SCHLUTER FOLLOWING ELECTION: COOPERATION WITH SDP NEEDED

Governing Situation More Difficult

Copenhagen BERLINGSKE AFTEN in Danish 13-19 Jan 84 pp 1, 12

[Commentary by Flemming Behrendt]

[Text] For the first time in the history of Denmark a nonsocialist government can stay in office following an election. Even so, Prime Minister Poul Schluter, whose Conservative Party won its biggest number of seats to date, must describe the parliamentary situation as uncertain. Unless the four-party government does some maneuvering, it will have to cooperate on economic policy with the Social Democrats, who rejected the budget, thus allowing the Progressive Party, a government support party, to call for the Folketing election. On page 2 there is a report [not included] of the changed composition of the new Folketing that will meet for the first time on 24 January.

Prime Minister Poul Schluter (Conservative) will need all his optimism when he puts into practice the results of the Folketing election he called for on 15 December 1983 after parliament rejected his four-party government's proposed budget for 1984.

But time is on his side, as it has been with respect to other matters. During the election campaign, the economy improved so much "on its own" that the deficit, which was set at 58 billion kroner in the budget bill, can be reduced to 53 billion today. For purposes of comparison, the Progressive Party was demanding savings of 10 billion in return for approving the budget, while the Social Democrats turned it down on more fundamental grounds: they did not feel they had been consulted enough and thus did not want to "save" the government's parliamentary base.

The election showed that it is still impossible to govern without the Social Democrats. But savings can also be made outside the budget. These savings

involve some new but deferred expenditures in the budget as well as higher tax yields, but they are especially related to the fact that Finance Ministry officials can predict a more optimistic economic development for 1984.

Even so, the prime minister has reason to greet the parliamentary situation in which the election has left him with an uneasy smile. Professor Tage Kaarsted had this to say to us about the hopes that were generated when Poul Schluter set the date for the election:

"The Social Democrats would have preferred to avoid an election, of course, and they were ready to compromise. They would have gone along if they had been offered a concession of a half day in the benefit waiting period. But Schluter felt he saw his chance and I am not sure whether or not he miscalculated. For his hope was that he could achieve a majority with the Radical Liberals alone."

In this respect the prime minister got exactly the same situation he had before: no possibility for either a so-called "budget majority" with the Radicals or what opponents have called a "black" majority between the four-party government coalition and the Progressive Party.

Radicalization

In contrast to the hopes, the election outcome made it harder for Poul Schluter to control the two parties. The Progressive Party was so upset that the party's chairman, V. A. Jakobsen, in shock over the projections at 10:30 pm the night of the election, tried to bring the four coalition parties down with him by telling TV that it could be that the Radicals would jump ship and recommend a Social Democratic minority government. Ironically, the Progressive Party was using the Legal and Cultural Affairs Committee's room at Christiansborg. Alongside, the Center-Democrats were housed in the Social Affairs Committee's room and Erhard Jakobsen was standing outside the door and holding an interview in fluent Spanish with one of the 200 foreign correspondents. Around the corner were the Radicals, who had already seen V. A. Jakobsen on the screen and had been hastily summoned to a group meeting by Niels Helveg in his office. So they marched out while the TV people were trying to get matters cleared up, but the TV cameras only managed to get a shot of the backs of the Radical members.

The gains the Radicals made--which were greater in the political sense than the one seat they picked up--were undoubtedly due to their campaign pledge that they would guarantee to offset "social inequity" in the four-party government. Give us the power to control the government, they said. And it worked. All the program people from Danish Radio, who usually know who to vote for, confided to a long list of friends that this time they had voted for the Radicals. But that also involves a commitment for the Radicals and throughout the evening and in the days that followed, there was no sign of weakening when Anker Jorgensen or others hinted that they could make use of the situation and resume the old wobbly course. "We have not chosen sides," as their campaign slogan put it so cleverly. "We have chosen direction." On

the last day of the campaign, party member Lone Dybkjaer went so far as to surpass Liberal Henning Christophersen's demand in an interview with the daily paper BORSEN that the wage-hike rate be cut in half in the next contract period. "Wages should not increase at all," Lone Dybkjaer declared.

But the very radicalization of both the Progressives and the Radicals that was one of the results of the election makes it harder than before for Poul Schluter to get the two support parties to pull in harness. What the Radicals might go along with in the way of further savings cuts, for example, will be quite insufficient for the Progressive Party now that it must fight for its existence as the party that has never voted for a budget bill and has always regarded the nonsocialists and the Social Democrats as in principle equally prodigal with tax kroner. And on the other hand, the Radicals will never accept the tax relief that the Progressives could propose at the expense of a number of services.

Neither will Poul Schluter and the rest of the four-leaf clover. The prime minister has labeled the Progressives' savings goals "unrealistic." The government is closer today to the Radicals than to the Progressives, whose unreliability in parliament can be expected to increase rather than decline.

Slip of the Tongue

The prime minister's tremendous success with his own party was not enough to secure a comfortable majority on either one side or the other. The Radicals are in hand with their loyalty oath to the government--and both sides are quite content to allow the differences between them to continue to be openly displayed. A possible joint government would disguise the differences in the security policy, cultural and legal sectors. But the majority needed to produce and implement compromises must still be sought on either the right or the left: from the Progressives or the Social Democrats.

During the final round of party leaders on TV on election night, the prime minister made a "slip of the tongue" (to use Anker Jorgensen's words at the Publicist Club the next day) when answering the question of how he would get a majority to support the budget bill now. Well, if the Progressive Party persists in demanding mass layoffs of public employees, the government would have no choice but would have to turn to other parties, the prime minister said.

Anker Jorgensen: "It is interesting that even after the election the prime minister is persisting in the very same attitude: first he has to talk and negotiate with the Progressive Party and only then will he condescend to talk to the Social Democrats. Just keep on doing that then, Mr prime minister!"

The prime minister parried: "If the government does not have a majority with the Radical Liberals, we must negotiate with the other parties and we have always done so by naturally first inviting the biggest party to hold talks and that is the Social Democratic Party."

North Atlantic Seats

The day after started with some wild speculations at least in the media concerning more clever ways of salvaging the desired majority. They were based on the uncertainty surrounding one seat that in the final count could shift from SF [Socialist People's Party] to the Liberals. At the same time it became clear that the two Faeroe Island seats would not as usual be divided between the two blocs, providing a neutralizing effect. The Social Democrats lost their Faeroe seat to the moderate pro-independence People's Party. The party is a conservative one and the member it elected, Oli Brechmann, stated that he would not topple a nonsocialist government, in connection with the budget bill, for example.

On the other hand, both the Greenland members, one from the Siumut Party [socialist, radical home-rule party] and the other from the Atassut Party [moderate, pro-Denmark party], will apparently seek to join the Social Democratic group, but Otto Steenholdt of Atassut would be receptive to an invitation from a nonsocialist party. The offer could consist of fulfilling the Greenlanders' desire for a new minister. This would also satisfy Siumut, whose Jonathan Motzfeldt as head of the government has spearheaded the criticism of Greenland Affairs Minister Tom Hoyem.

None of the four North Atlantic Folketing members rejected categorically and under any circumstances the idea of interfering in internal Danish affairs if it would serve their own regional interests. Justice Minister Erik Ninn Hansen (Conservative) told us with reference to such a possibility of acquiring a majority for the "budget parties":

"I would like to see the government cooperate with those Greenlanders and Faeroese who want to cooperate with us. Could that form a basis on which to run the country? The Social Democratic-Radical government did that in 1960 when the previous three-party government lost its majority after the Single-Tax Party lost its representation in Folketing. They made the newly-elected Gram minister of Greenland affairs, thus gaining a bare majority and thus a majority government. We are not in that situation. We must have the Radicals with us--from one issue to the next--but we have no opportunity to create a majority government with the help of the North Atlantic votes. At most they would insure that a majority could not be formed against us. But to be honest I do not think the legislative work in the next election period will be implemented with the help of such a majority."

Cooperative Democracy

Both the justice minister and Tage Kaarsted interpret the election as an indirect appeal for broader cooperation across the middle in Danish politics. Not exactly an unknown idea, but one that has been on ice since the formation of the four-party government in September 1982.

But, said Tage Kaarsted, Schluter has won a victory, in spite of everything the Social Democrats did reasonably well and as the traditional mediating party, the Radicals also won a victory.

Erik Ninn Hansen believes that many of the new voters the Conservatives have gained come from the Social Democratic Party, which clearly indicates an expectation that the party cooperate on some broad solutions. An obligation to cooperate is not the sole property of the Radicals.

The day after the election, following tradition, some of its major personalities met for a discussion at the Publicist Club. There Helveg Petersen presented the idea that prior to the talks the prime minister has announced on the budget itself, there should be talks on combatting youthful unemployment. A matter all the parties involved also termed the most important issue on the night of the election. "Economic considerations must take second place when it comes to youthful unemployment," said the minister of justice. A government committee of four ministers broke off its work on a proposal when the election was called. In May 1983 the government reached an agreement for 1983 with the Radicals and the Social Democrats concerning youthful unemployment and there is a Social Democratic proposal on the table that would allocate 400 million kroner.

Thus there are many indications that this issue could be a touchstone for the quality of the new cooperation that seems inevitable. Security policy could be another. Foreign Minister Uffe Ellemann-Jensen's campaign statement that he would like a "missile majority" made up of the government and the Progressive Party did not achieve its goal. The Social Democrats now hope that the government will be somewhat flexible so that perhaps in connection with the forthcoming defense agreement the two sides could get together on a positive NATO position that makes it possible for Denmark to argue effectively for arms reduction and openness in the East-West dialogue. The government parties hope that the Social Democrats will not allow themselves to be "whipped up" for long by SF to new confrontations that could make the reservation clauses to NATO cooperation larger and larger and reduce what is known as credibility.

Tage Kaarsted, who describes himself as a defense policy "hawk," said: "I noted that Robert Petersen, who is the only clearly deviating Social Democratic politician in this area, ran well in his district, which means that his voters did not disapprove of his position. For me that is an indication that Social Democratic voters do not want any serious questions raised concerning our NATO policy."

Social Democratic political spokesman Svend Auken: "But we are the only party that says what people think: they want defense--within NATO--but they are afraid of the missiles."

One should not hope for an idyl. Tage Kaarsted put it this way: "On the one hand the Social Democrats will probably find some compromise with the government and the Radicals on the budget. That is definitely my guess. But on the other hand, they definitely smell blood now. In the sense that a year from now we could very well have a situation where the Social Democrats feel they have a chance and bring about a condition that will cause

the government to fall. In other words we will be in the same situation we have been in so often."

Schluter and Zahle

On the Wednesday morning following the election, Prime Minister Poul Schluter went to the queen to inform her that he would continue as the unchallenged leader of the government. Neither he nor anyone else could see a majority in favor of a different government leader.

In the afternoon, Schluter met with the other government party leaders and shortly after that he was able to announce that "for the time being"--and the expression should not be interpreted in any subtle way, he stressed--there would be no changes in the government. Not even with respect to the minister of Greenland affairs, a man Schluter praised and gave his full support to during the campaign. Erhard Jakobsen had indirectly made his party's ministerial posts available, even though there are no particularly warm feelings in the government parties for the Christian People's Party's desire for another ministerial post after advancing from four to five seats in Folketing. It is felt that the Christian People's Party broke ranks during the campaign by marketing itself as the government party with a special emphasis on social issues.

It was not just the somewhat hard lesson of election night that made the smile on the prime minister's face somewhat uneasy. Once in a while it stiffened from the weariness brought on by the hard work of the campaign, and good friends have advised the prime minister to take a vacation before the ski season is over.

But his optimism will probably return. "It is constitutional, after all," said Tage Kaarsted. "Poul Schluter reminds me more and more of Zahle, the head of the Radical government before, during and after World War I. He too was a capable prime minister. Not a man with big visions and brilliant original ideas that he absolutely had to implement, which can only be done at the cost of other people's ideas. Like Zahle, Schluter is able to get a bunch of individuals to work together as a team.

"The two men, Zahle and Schluter, have the same background, come from the same middle-class environment, they even have the same height and build, the same education, the same temperament. But Schluter keeps his in better check than Zahle did. It is true that Zahle's government was a single-party government, but it could just as well have consisted of four or five different parties: Edvard Brandes, Ove Rode, P. Munch, Erik Scavenius--they were all big individualists. Zahle played himself down and wrote somewhere in his journal: 'What a wonderful thing it is that I am allowed to be prime minister for such good men.'

"They say that Poul Schluter has the same ability to get people's views to move together and he does not pound in his own opinions. Zahle's government lasted for 7 years. It stayed in power a little too long and ended in the 1920 Easter crisis.

"But first and foremost the two men had in common an optimistic, indomitable spirit. A feeling that things will work out, that we can come through."

Jorgensen: SDP Foreign Policy Majority

Copenhagen AKTUELT in Danish 12 Jan 84 pp 8-9

[Article by former Prime Minister Anker Jorgensen, chairman of the Social Democratic Party]

[Text] To some extent, we managed to check conservatism. For in practice, the verdict of the voters meant a big setback for the most conservative parties, according to Anker Jorgensen.

We did not win the election. But neither did the government.

To put it in a nutshell, we are closer to stopping conservatism today--and that was our goal--than the government is to its goal--namely, stopping the Social Democrats.

It was the government's hope that it would win a Folketing majority that excluded the Social Democrats. It did not achieve that goal.

At least there is no nonsocialist majority that seems useful for the government. If it wants a majority, it will have to change its attitude toward the Social Democrats.

Both the Radical Liberals and the government parties have claimed that it was the budget that the voters took a stand on.

But of course that is wrong. The budget bill was the formal reason for the election. But it was certainly not the main theme of the campaign--as anyone who has paid even a little attention to the campaign knows.

With regard to the new budget bill, the situation is the same as it was before the election. Naturally no one wants to precipitate another election. Therefore the government will be careful to establish its parliamentary base--which it can do by creating harmony between the Radicals and the Progressives or by meeting the Social Democrats halfway. It could have done that before the election too.

The government is familiar with our demands. Either it--and the Radicals--must accept the Progressive Party's demand for joint negotiations leading to cuts in the billions or it can make some accommodations to the Social Democratic demand for a greater effort to combat youthful unemployment and to implement a social restoration.

"Now we have just had an election. We have just received the verdict of the voters. No one will come along and precipitate a new Folketing election a month or so from now. That would mean chaos. And anyone who caused such a thing would be punished so severely by the voters that the outcome would be almost indescribable. I think this means that all the parties that can talk together must do so. And whatever people may have thought of the budget bill in December, they must now realize that they will have to live with it."

Those were the prime minister's words during the party leader debate on TV the night of the election. And I agree with the prime minister's views here. I do not think he will provoke another election on the budget bill, I think he will make sure that he has a parliamentary base under him, because now the budget must be passed. Now as before the Social Democrats are prepared to negotiate.

I will not conceal the fact that I am still disappointed by the Radical Liberal Party--a feeling apparently shared by party voters in Radical strongholds--but I have enough confidence in the party that I do not believe it would support a policy that had the support of the Progressive Party. And I think this is true whether the Progressive Party group consists of hardliners or softliners. And therefore I think it is fully justified to say that to some extent we managed to stop conservatism. For the "verdict of the voters" means in practice that the most conservative parties have suffered a big setback--namely the Progressive Party and CD [Center-Democrats]. The Progressive Party is archreactionary on economic and social policy and CD stands for a cultural policy and an attitude that at times are downright unpleasant. Everyone knows what I am thinking of. Now the problem for the prime minister is to avoid "taking over" this kind of policy.

We can note that there is still a majority in Folketing in favor of the foreign policy the Social Democrats have supported all along. And in addition to that, the two parties that have most openly expressed a desire for changes in Denmark's nuclear arms policy have suffered substantial losses. It will be interesting to see if Uffe Ellemann can now toe the line.

During the campaign, several government parties talked a lot about an idea that was very important to them but that they refused to explain more specifically, namely the "government's internal balance."

But as early as election night, one got the feeling that the Christian People's Party believes that its gain of a single seat ought to shift the "internal balance" within the government. We must now wait and see what this means.

Poul Schluter and his party did not make the gains most people probably expected them to make. Instead the government's second biggest party made gains. Therefore the situation could very well be that in the future the government will find it harder to act, because the internal struggle for influence will be more intense. Or to put it another way, the government got more seats, but it was unable to push the Social Democratic Party into the

position where it would like us to be. It is true that the Social Democratic Party lost two seats. We will not try to offer excuses for that. But our goal was to stop conservatism. And I think I am justified in saying that after this election, conservatism has less leeway. I also think our party organization has gained additional strength. I have seldom met greater enthusiasm and involvement at meetings than I did in this election campaign. And based on reports I have received from the entire country, I can see that there has been considerable activity and that our people everywhere have conducted an outstanding campaign. I would like to thank all of you for that. This promises well for the future and for a united course.

Post-Election Poll on Issues

Copenhagen BERLINGSKE TIDENDE in Danish 15 Jan 84 p 6

[Article by Asger Schultz]

[Text] During the election campaign, great efforts were made to include security policy and especially the controversial missiles in the debate, but from the viewpoint of gaining votes, the effort was wasted.

This appears from a survey the Gallup Institute conducted to see how the voters reacted to some of the topics that were discussed in the campaign.

A representative selection of around 1000 respondents were asked the following questions:

"Did you see the final TV party leader debate yesterday--all of it or part of it?

"Economic policy is a central issue. No matter which party you would otherwise vote for, what do you think will be best for the country as a whole in the next few years? That a government led by the Social Democrats is in charge of economic policy or that a nonsocialist government is in control of economic policy?

"Are you for or against Danish membership in the European Common Market?

"Are you for or against Danish membership in the Atlantic Treaty Organization (NATO)?

"Do you think it is justified or unjustified for NATO to deploy new missiles in Western Europe?"

<u>Replies</u>	<u>Percent</u>
Saw the final party leader debate	69
Did not see the final debate	30
Don't know	1
Total	100
Government led by Social Democrats	36
Government led by nonsocialists	53
Don't know	11
Total	100
For EC membership	48
Against EC membership	38
Don't know	14
Total	100
For NATO membership	64
Against NATO membership	23
Don't know	13
Total	100
NATO justified in deploying missiles in Western Europe	25
NATO not justified in deploying missiles	61
Don't know	14
Total	100

Thus a majority of the voters would prefer an economic policy directed by the nonsocialists and most still stand firmly behind the basis for our security policy, namely our membership in NATO. A plurality of 45 percent supports our membership in EC and this is a surprise. Since the end of the 1970's a plurality has opposed our membership in EC. This may have changed now, but it could also be a random result. Future institute polls will show if this is the case.

A large majority (61 percent) opposed the missiles, which means that many NATO supporters oppose the missile deployment.

Finally, the survey indicates that two out of three voters saw the party leader debate and that may come as a surprise since many entertainment broadcasts can point to a substantially higher number of viewers.

The topics listed here are those that the political debate often considers decisive for voter support and for this reason we have tried in the following survey to show the answers against the background of voter shifts between parties.

It seems logical to assume that the topics with the greatest stability in the responses are those that would lead to the most voting shifts. For

this reason all voters who voted in the last Folketing election and said they intended to vote in the next Folketing election were divided into two groups.

One group consisted of those who would vote for the same party, called core voters for the sake of convenience. The other consisted of those who would change from one party to another, called shifting voters.

<u>Replies</u>	<u>Core Voters</u>	<u>Shifting Voters</u>	<u>Total</u>
Total	70%	30%	100%
Saw the final party leader debate	71	29	100
Did not see the final party leader debate	68	32	100
Don't know	65	35	100
Government led by Social Democrats	80	20	100
Government led by nonsocialists	63	37	100
Don't know	77	23	100
For EC membership	73	27	100
Against membership in EC	69	31	100
Don't know	64	36	100
For NATO membership	71	29	100
Against NATO membership	71	29	100
Don't know	65	35	100
NATO justified in deploying missiles in Western Europe	70	30	100
NATO not justified in deploying missiles	71	29	100
Don't know	68	32	100

As the survey shows, there is practically no difference in the core voter percentages for the various topics with the exception of one--economic policy. It is highly probable that this is the question that shifted voters from one party to another in this election.

The percentage of shifting voters among those who preferred the nonsocialist government's economic policy is nearly twice as big (37 compared to 20 percent) as it is among voters who prefer the economic policy of the Social Democrats.

It is striking that the party leader debate did not make much difference and it is also noteworthy that security policy was of no importance at all. Missile opponents do not shift more than voters who can accept the missiles.

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Schluter Security Cooperation Appeal

Copenhagen BERLINGSKE TIDENDE in Danish 25 Jan 84 p 6

[Article by Lisbeth Knudsen]

[Text] The prime minister warned against economic rashness against the background of encouraging economic reports. He said the tight income policy and the freeze on real growth in state and municipal spending would continue.

Prime Minister Poul Schluter assured Folketing of the government's desire for broad cooperation and appealed to the opposition to show an equally strong willingness to "overcome differences" when he delivered his opening address to Folketing yesterday.

The prime minister's invitation was received positively but with some reservations by the two parties the government is primarily interested in trying to cooperate with in connection with talks on the 1984 budget. Both the Social Democrats and the Progressives found positive elements in the statement, but each maintained their own demands in return for voting yes on the budget.

"The government is a minority government. That imposes a special obligation to negotiate a cooperation with other parties here in Folketing. We accept this responsibility and we will do everything we can to live up to it. It is the government's hope that the opposition parties will accommodate us with an equally strong willingness to overcome differences, so that we can jointly create viable and constructive solutions to our mutual problems," said Poul Schluter.

Of the government's long-range goals, he said:

"The deficit in the balance of payments must be eliminated in 3 or 4 years, so that we can once more start paying off our foreign debts. The international value of the krone must be maintained. The deficit in state finances must be reduced from year to year, so that it is gone by the end of this decade. The reduction of the national deficit will not occur through raising the tax burden.

"A tax reform must be carried out that eases the burden of personal taxes. It should simultaneously insure a reasonable distribution of the burdens and promote hard work and initiative. The tax system must be simplified and the opportunities for tax scheming reduced as much as possible. An important

goal for the government's economic policy is to create the conditions needed to provide enough new jobs to reduce unemployment."

Recklessness

Poul Schluter noted the optimistic reports of an upturn, but added: "Although the results are encouraging it is vital to realize that Denmark's economic problems are still very great. Thus it is essential that the balance of payments situation continue to improve. Therefore there is no room for recklessness now that we are seeing the first positive results. It will take many years before we can say that the four-party government's task of restoring the Danish economy has been accomplished."

The remedy the government finds it necessary to administer in the future involves a continued moderation of prices and wages and this means such low wage increases that competitiveness can improve. Firms must be enabled to live up to technological developments and the modernization program for the public sector must be carried out. Finally, fiscal policy must not be eased. According to the prime minister this means that the deficit in 1984 must be kept lower than the state deficit for 1983 and that the goal for 1985 is a further reduction of the deficit from 54 to 50 billion kroner. This means that real growth in state and municipal spending must be halted altogether.

The prime minister also set the scene for broad cooperation in the area of foreign policy. Poul Schluter referred to broad agreement on Denmark's membership in NATO and said: "The government will do its part to maintain and consolidate this unanimity and ask Folketing to engage in open and constructive cooperation in this area."

Reception

The prime minister's opening address met with a positive reception by Social Democratic political spokesman Svend Auken. "There is reason to rejoice in the conciliatory tone of the prime minister's opening speech, where he laid the groundwork for the political cooperation the government has previously rejected. The days ahead will show if there is any reality behind the rhetoric. The Social Democrats will go into the upcoming negotiations with the same format we used in December in the hope that a broad majority will eventually be able to vote for the budget bill. Whether or not this happens will depend entirely on the government's willingness to negotiate."

The group chairman of the Progressive Party, Helge Dohrmann, said: "The prime minister's speech contained several statements the Progressive Party can wholeheartedly support. For example, he said that the national deficit is still too large, that personal taxes must be cut and that costs in the private business sector should be reduced. If this policy is to be implemented the government must drop any thought of cooperating with the Social Democrats."

Radical Liberal group chairman Niels Helveg Petersen was satisfied with the opening speech and described it as a good basis for Folketing's work before the summer recess.

Paper on Schluter's Opening Address

Copenhagen BERLINGSKE TIDENDE in Danish 25 Jan 84 p 10

[Editorial: "Mutual Responsibility"]

[Text] Neither the individuals who hoped to be elected but were not nor the government which hoped for a better result than it got can afford to be annoyed with the voters. The government has also clearly acknowledged that it is still a minority government and that it has as little opportunity as it had before the election to decide what happens in Folketing.

This was expressed without reservations in the statement the prime minister made yesterday when the newly-elected members met. Poul Schluter admitted that the government has a special responsibility for facilitating cooperation with other parties and he promised that every effort will be made to live up to it.

But the situation is different than it was when the election was called. The prime minister pointed out that there has been a clear increase in the electoral base of the four government parties and that the same thing is true overall for the five parties that voted for the budget bill that was unable to gain passage. The voters made the government parties stronger and they did the same for the parties that wanted to adopt the budget. That is encouraging for the government and an admonition to the parties that would not follow the government. It is an admonition to them to cooperate on approving the budget. The negotiations in the days ahead will hopefully show that this admonition will be heeded. It would be irresponsible if uncertainty arises again concerning the budget that is the basis for the daily functioning of society.

However the admonition goes farther than that. There can be no doubt that following this election the people expect that the line the government has followed since its formation will be maintained and implemented. The opposition parties should understand that and they ought to show this understanding in practical actions in the months ahead. This is even more important since the prime minister in the government declaration had to point out that although the economy is in an upturn, one that is stronger than anticipated, the economic problems are still very great and it will take several years before the economic restoration is complete. The people will show no mercy to a government that does not remain faithful to its goal and the same applies to parties that prevent it from doing so. The main points Poul Schluter mentioned yesterday which are basic prerequisites for succeeding in this are so big and so essential that they should not be pushed

through in an atmosphere of conflict but should be implemented in a spirit of fellowship that extends beyond the parties that won the election.

The government's statement ended on a warning note with a reference to mutual responsibility and surely no one would argue with the prime minister's statement that new political and economic instability could cast a shadow many years into the future.

6578

CSO: 3613/84

COMMENT ON DEVELOPMENTS IN LEFT, CALL FOR DIALOGUE

Athens ANDI in Greek 28 Oct 83 pp 17-19

[Text] Does the current political map of the country, and more specifically of the Left, represent social reality and developments?

Are the people of the Left, who showed faith either in PASOK, the KKE or the KKE (Int.), today represented by these groups? Or are they served by their political choices and practices? If not, what are they doing? How do they react? What kind of changes are in progress?

Here is a variety of questions, which especially lately, give rise to many and varied comments.

Mobility

The answers to these questions cannot be had except after a careful examination of certain proceedings in the process of development at this time. Of course, these proceedings are not an exclusive phenomenon of the present circumstances.

The entire period of political reform was accompanied by deals and rearrangements in the area of the Left. The disputes that from time to time leaked out of the party walls, that caused on these occasions, cries, rifts and tensions, are well known. The agonies of the leftists could not be expressed in the parties. The unity groupings and proclamations which never went beyond the newspapers... The closed discussions in Athens theatres. The initiatives which caused enthusiasm, but did not bear fruit. Is perhaps the seclusion, the privacy and political nihilism the "fate" of this frantic search? We do not share such a pessimistic evaluation. Through this process a human potential acquired a rich experience which still remains a priceless reservoir for new combinations...

For those who follow political matters carefully there is today an unquestionably special mobility to be observed in the entire area of the Left. We could say (with all the dangers inherent in a certain scheming) that this new mobility is fueled:

1. By the massive defection of ever broader forces (of leftist and radical persuasion) from PASOK's scope of influence. A defection fed by the progressive

establishment of PASOK in the foundations of power and the chasm between the expectations of a leftist policy by PASOK and today's picture that the administration's practice presents.

2. By the impotence of the KKE to act as a magnetic pole for the broader leftist forces in a prospective unification and struggle which would delineate positive ways out of today's situation.

3. Finally, the picture is completed by the chronic political ineffectiveness of the KKE (Int.) and the diffused feeling that the correlations in the area of the Left cannot be turned in its favor.

Thus, the public discussions of the unaffiliated leftists in Athens as well as in the provinces, the expulsions or defections of party cadres and members, the Panhellenic conferences and the ponderings for the creation of new political organizations or groups, the increase in the publication of political magazines, etc. bring together certain proceedings that somehow manage to break the confining barriers of silence of the artificial polarizations and the political extortions as well as the "sick" political games or the known "moratoriums" in the relations of the large press groups with the parties.

Let us see more clearly, however, how this mobility appears in all the political areas and what prospects it creates:

The PASOK Area

In PASOK, the remarks made by N. Kargopoulos, a member of the Central Committee, in his "counterproposal" are a typical reflection of the wavering and crises which permeate the PASOK organization in its process to convert itself into an executive organ of the government's policy. In turn, the latest developments acted as a catalyst for a new search and shifting of forces. No matter what opinion one may hold about the contents of the "counterproposal," one cannot overlook its representativeness in relation to the intentions, the "common thought," the orientation of members and followers, as well as broader sectors of the democratic public opinion.

From this point of view, it is typical that at PASOK's Panhellenic Organizational Conference, held at the "Intercontinental" on 2 Sept 1983, 48 of the 50 NOME delegations expressed critical views, something that happened, perhaps for the first time, to such an extent. Also typical was the success of the Panhellenic Conference that took place at the Polytechnic on 8 October 1983 and was organized by the recently ousted PASOK members. One hundred and fifty representatives of four NOME committees were present and the active cadres who participated constituted 60 percent of the participants. (It had been preceded by considerably well-attended meetings of dissenting cadres and members of PASOK in many provincial cities: Khalkida, Korinthos, Ikaria, Karditsa, Preveza, Mitylini, etc.) At the same time (from a different "point of view," however), Stathis Panagoulis held meetings at Glyfada, Patrai, etc. and proceeded in the creation of "Socialist Associations" with the indirect promotion and support of the KKE. At the Polytechnic Conference there were expressed the two tendencies of PASOK's Left wing: The one (that of Kargopoulos) that prevailed in the end and maintains the need to create a new organization and the other, which is generally expressed by

great recession, despite the fact that the KKE, with strong bonds with the labor unions, which are anxious about the unification and closing of ranks of the forces of the Left, is not making any progress; who live intensely the political need of the enrichment of intraparty democracy, not so much to have the right to express a dissenting view sometime, but mainly for the existence--strengthened by practice--of the possibility of an effective influence by all members in the shaping of the party line.

Naturally, there is no dearth of those within the KKE who are aware that all these weaknesses and limitations have deeper reasons that are connected with substantial aspects of the ideological policy and organizational identity of the KKE... The phenomena of dissent or critical oppositions in the KKE are rooted in existing problems which justly prompt new searches and to which, those who resolutely and easily turn a blind eye and attribute them to undermining from abroad or they place them in a category of "anticommunist machinations..."

But, at the other, smaller pole, the KKE (Int.), it does not seem that these hopeful prospects of activation of the broader potential of the Left make themselves visible, not only because the differences, at the leadership level appear to lead to a colorless and soft political line, but also because there is the absence of an effective political activity. The continued lack of activity on the part of many militants, who are within or around its ranks, the intense slackness of its organizations, the loss of positions in the labor area (tendencies which can hardly be reversed in the foreseeable future) cannot but be connected with the lack of a clear strategy for the present circumstances.

Because, along with the "sins" of older political choices (ASDIS [Nonaligned Democratic Trade Union Coalition], EADE [National Antidictatorial Democratic Unity], etc.), the confusion continues on basic subjects, such as criticism, the uncritical support for PASOK, the subject of the rift in the communist Left (Does it definitely constitute the official position of the KKE (Int.), that the "rift must become deeper!"... as an official cadre of the "Interior" proclaimed recently in AVGI?). Certainly the thoughtless mimicking of some Eurocommunist line, at a time when this phenomenon is being tried, does not inspire euphoria, thus showing its limitations.

Precisely this lack of a correct and clear strategy must be the reason why the KKE (Int.) cannot overcome its problems, to inspire its organizations, but also to constitute a visible proposal for the change for which a great portion of the Greek Left is today persistently seeking.

For this reason I do not believe that the proposal put forth by Nikos Mbistis (in his article in the magazine I ARISTERA SIMERA) for rapprochement or strengthening of the KKE (Int.) is correct nor will it find any response. Now, in the area of the "non-affiliated" parties of leftist militants, the reshuffling that is taking place has a special significance.

In the past few years the number of leftist militants, who left or were expelled from the parties, is constantly increasing. To the old "Lambrakises," who, after the 1968 split, refused to join some party, there were added many leftists (especially of the younger generation) either because of the dissolution of the

the XEKINIMA and FYLLADION publications and which presents the "utopian" (as it was characterized) view of remaining in PASOK and the intraparty struggle to change its party line. In the end, the conference, after having collected the on-the-spot criticisms and concerns, decided on "the creation of a political movement which will constitute one of the components for the creation of a new socialist organization." It was also decided for this new political movement to come into contact and agreement with every political force and non-affiliated forces of the Left...

The Communist Left

On the other hand, on the KKE side, the pre-conference, public position taking of several cadres who touched upon serious questions of the communist movement (the need for a positive definition of the socialist vision, intraparty democracy, party and mass movements relations, unity of the forces of the Left, freedom in the search for culture, etc.). As, of course, is known, the "fate" of those who posed similar ponderables... The leadership methods of confronting different points of view did not remain on the level of the above-mentioned cadres. They have spread to a significant number of members or middle level cadres and, if this is combined with the voluntary departure of other members or their inactivation, it is certain that while the guidance of the KKE will win the "battle for quality," the party as a whole will not have conquered a trail-blazing political practice.

(Here it is necessary to comment parenthetically that the fresh experience of my expulsion from the KKE--which was recorded as the "expulsion of the four"--despite its obvious traumatic aspects, would not be right in leading to a political psychological attitude of "revenge," to a sterile and excommunicative, anti-KKE polemic which would erase, regardless of their history, political experiences and human bonds that were accumulated through a personal career in militant service. For this reason we are not about to imitate those who, after leaving a party, devote themselves to publishing "best-sellers" of superficial descriptiveness at the level of "political gossip.")

The subject, which we point out here, is that the KKE militants who begin to look critically at things are ever increasing. Of those who discover that things in the party are blocked; who, in other words, see that the KKE cannot make that indispensable "quality jump" in order to overcome the delays and limits that mark its post-dictatorship activity; who see that the KKE cannot assert itself as a leading force, capable of positive interventions in the political developments*; that, as a party, it does not constitute a credible, different reason which can shape a different positive and realistic future than that of PASOK; that the KKE as well, precisely because it cannot overcome these delays, has great responsibility for the reasons why the current of "change" does not use different dynamics in the direction of a deeper social transformation; who are concerned about the fact that the movement of the masses is in the throes of a

* These points are not made now for the first time. They were part of my presentation in the pre-conference dialogue of the KKE (RIZOSPASTIS 11 Nov 82)

leftist blocs or by voluntary or forced departure from the parties or, finally by not joining any party at all during all of these years.

The phenomenon is not accidental. It was mainly caused by the fact that the traditional organizations of the Left (and not only in our country), are going through a profound identity crisis. With the rigidity of their structures and their political "realism," with their underrating of the mass movements, they are not in a position to develop any serious reshuffling operation, to observe the new social movements, to "take" the pulse of the workers and witness the agonies of the younger generation.

The new element which is today visible on the horizon is that yes, while the limits, the voids and the delays of the traditional organizations have been understood, there are, however, certain signs which question the "inevitability" of ending in the retirement and the dismantling of the unaffiliated leftists. Here are some of these signs:

Lately, in several provincial cities there have been founded by independent leftists many social and cultural organizations which have developed original activity in political, cultural and ecological matters; they publish local periodicals, newspapers, etc. (Khalkis, Kalamata, Salónica, Larissa, etc.).

In some of these cities public meetings have taken place to discuss various matters (as in Larissa recently where Sp. Nestoras, G. Notaras, D. Konstandakos, K. Tagaridis, K. Tsandilis, et al participated).

Lately, cadres of the old KS [Central Council] of the "Lambrakises," as well as younger forces, are intensely discussing the need to found political associations in Greece to become involved as much with theoretical subjects as with coping with critical problems of our times (peace, environment, etc.).

Others, also leftists, propose the creation of a political organizations with the aim of investigating the new contradictions which were created by the crisis of capitalism in our times and the undertaking of corresponding political initiatives.

If, to all this, we add the fact that new political, cultural publications are sprouting up all the time or that others are published more frequently, it becomes evident that a number of leftists does not quiet down, but is concerned, agonizes, searches for that leftist proposal which will really inspire them to become more active in political activities.

The Political Vacuum

From the description of the above-mentioned situation, one can, we think, draw the unbiased conclusion that a significant section of the people, who, until a short time ago, showed their trust either in PASOK (mainly) or the KKE and the KKE (Int.), today is not "under the wing" of these organizations.

This group of people is not served by the political party choices nor by the manner in which they push forward its class interests. Therefore, there is some political vacuum which sooner or later must be filled. The fact of the existence of this vacuum has already been understood by the experienced party organization

of the KKE. Thus, its effort in the past is known with the creation of the KEA [National Resistance Movement] and its present attempt to "appropriate" the "Socialist Associations" of St. Panagoulis. On the other hand, the efforts of the KKE (Int.) to incorporate into its sphere of influence all the independent labor union arrays are well known (however, these efforts do not meet with success...).

Is There a Way Out?

Of course, the soul-searching of all these people of the Left does not appear to "fit" in the firmament of the existing political formations. And it is not only the PASOK militants (as we saw before), who, disillusioned with their leadership's policy, are not content with being impatient, but find ways to convert this impatience into a positive political action. There are also all the others, who, having ascertained the "limitations" of the traditional parties of the Left and having been brought up in the unifying experience of the anti-dictatorial struggle (today, 10 years after the Polytechnic insurrection, it is worth remembering this), refuse to contribute to the perpetuation of the polarization and the psychosis of the 1968 rift and are searching for a new future... This does not mean an underestimation of the wealth of political activism as well as of the potential which is to be found presently under the umbrellas of the political formations of the Left. Nor does it mean a political overestimation of today's unaffiliated forces of the Left. Nor does it mean a new technical division, new walls and barriers in the communication and dialogue of the leftist forces. Nor (even more so) sectarian exclusions and dogmatic claims of uniqueness...

Of course, this new future and the alternative proposal being sought are beyond the limitations and capabilities of the writer. On the one hand, it cannot be a question of an individual undertaking. What can be safely said, however, is that, today, a more favorable framework has been developed in order to put them on the "table" and for a concrete dialogue to begin (on political terms) on questions that for years now have harassed the Left. The change in the political conditions, with the fall of the Right, brings all of the forces into confrontation with the demand for a solution and intervention in today's reality. It helps to put things into perspective, to draw its structure and to submit seriously whatever thoughts and proposals exist, thus creating the premises for the development of a new political initiative...

On the other hand, we believe it is necessary to overcome the various hesitations (in the assumption of corresponding political initiatives), which are based either on the earlier failure of similar efforts or on the multitude and multiplicity of the views, or, finally, on the non-existence of some "charismatic leader," who will head these proceedings.

However, with regard to the earlier experiences, it is evident that they were attempted in a different age, when, while PASOK (being in the opposition) was a rising political force with a tremendous influence for enticing the people; it is now in power and its attrition is beginning to be more widely felt. On the side of the communist Left, the KKE won the battle against the "Int." and the leftist groups, while today it is common knowledge that it cannot overcome the

qualitative delays which set it apart and intervene decisively in political developments. At the same time, the mass movement was greatly exalted while it now "follows" events and agreements at the summit, without playing a primary role.

The other question (the multiformity of views) is not insurmountable if this process (of the dialogue and political initiative) begins and is based on genuine democratic processes, with respect towards opposed views and a sincere effort towards cohesion, especially on the primary questions.

Finally, with regard to the absence of a leading individual, it may be so, but why should we not sometime be freed from the "leader" myth? Would a collective responsibility without gaps between summit and base perhaps be more preferable?

The great search is, of course, for the realistic "alternative proposal." But it cannot be given beforehand. It will be the result, the product, of a process of dialogue and search where not only the new forces must undoubtedly participate, but all of those who are conscious of its need...

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PROBLEMS IN GOVERNMENT ISOLATION FROM GRASS ROOTS

Athens I KATHIMERINI in Greek 4-5 Dec 83 p 5

[Text] The leadership group of the government is closing around its narrow circle, finding it impossible to open up to the other forces which form today's majority. The more the absence of political grasp and the improvisation on all problems, both domestic and foreign, becomes evident, the more the Kastrì group with Premier A. Papandreou turns inward and cuts itself off from the people of the Center and the Left. The repeated mistakes on the question of Cyprus and the "amateurish" approach to the problem, with consequences that may lead to national weakening, are not casual phenomena nor did they strike like bolts out of the blue. They come to complement corresponding domestic "initiatives" such as the total absence of dialogue, the interpretation of the bases agreement, Article 4, the abolishment of the preferential cross vote, etc., only they did not take on the dramatic character of a national crisis. The leadership group of the administration has demonstrated its total bankruptcy--because it is perhaps unfair to blame the lower officials, who are responsible only for going along, probably because they have no other choice--both as a political expression and as a practical application. The "young," the PAK [Panhellenic Liberation Movement] men, the technocrats from America were not able to bring any other political concept to our country nor to project outwards, towards the democratic world, the atmosphere of democracy which was expected and for which it gave PASOK a 48 percent majority. The autocracy, the partiality and the absence of a conciliatory attitude and of tolerance went, perhaps, beyond the worst days of the Right as the legislative regulations and interventions in our social life went much further.

It would be very difficult, if not impossible, by now to confine these developments to the narrow frame of the political expression of PASOK without their influencing the remaining political map of the country. The cracks began to make themselves felt after the publication of the supposed lists of PASOK candidates. The shock-waves reach much deeper and shake almost the entire political world from the Center to the Center to the Left. The estrangement of the deputies and the democratic people from the Kastrì group is not due to, or, rather, is minimally influenced by small-time political ambitions.

The developments are almost choked out by the deeper changes which have taken place in the political, social and economic life of the country in the past few years. The post-war era, with the building contractors of residences and ideologies--the lots were 3 minutes away from Omonoia Square, the time needed for the

socialist or communist revolution to reach it--has ended, definitively and irrevocably. However, this is something that the leadership of all parties, of the traditional Right and Left and of PASOK, finds very difficult to accept. The political scenario, as it was set up, does not offer anything anymore, even the sight of demagoguery has become boring.

The One-Sided Concept

The reaction of the government's summit and Mr. Papandreou's, even more on the subject of the candidates' list, convinces one once and for all that at Kastrì they have a one-sided concept of politics. In politics many things that are true are not convincing and others, which have nothing to do with reality--such as PASOK with socialism--can, momentarily, shake the world. "Momentarily" is valid for politically mature nations such as Greece, while for others it can be of longer duration. The fact is that the lists, even though they are not genuine, appear to be so, and this, politically, has greater significance. Those who are excluded are those who are "disliked" by Kastrì and those who replace them are the "friends," those who breathe the same political air.

The one-sided concept that Kastrì had, was shown even more in practice, in the manner of exercising power. It appears that the premier cannot confide in anyone who does not associate himself absolutely with this concept, which reminds one more of a closed circuit, of a grouping of minorities as is exactly the case with the recourse to these circles of Greek expatriates from America. The projection of "charisma" from the balcony, the refusal of dialogue with those involved, the transfers of the premier, confirm this one-sided concept, something that is totally alien to Greek political life and is specially antagonistic to our democratic traditions.

Thus, it is not by accident that neither the top positions of the government nor the primary positions of coalitions contained individuals who have deep roots in the democratic struggles of the country, with very few exceptions which serve to confirm the rule. Those who have a history in the democratic struggles of the country, those who have access to the broader classes, either were not used at all or they were quickly removed from the administration as was the fate of those who tried to follow the tactic of the dialogue and agreement with those involved while implementing their policy. This one-sided political concept makes both the populist and nationalistic language necessary, something that has been confirmed so many times in world history as to make it no exception for Kastrì in Greece.

However, the laying bare of the political image of the premier comes at a critical moment for the government: "one evil is followed by a thousand more." They follow more for the populist individuals to whom the revelation is total and apparently sudden. The estrangement of Kastrì from the legislators and the democratic world, as a more practical demonstration, apart from the political feeling that has existed for some time, fuels the fires of the dealings which have been taking place for some time now in the area of the majority. Dealings that are not so much related to that of the pre-dictatorial era as much as to the deals being cut and the developments in our foreign relations on the question of Cyprus and the Aegean, but of our democratic institutions themselves. Moreover, these two concerns and courses went hand-in-hand in our recent history. The public statements

of the premier against President Kyprianou, made from a foreign capital as if they involved a hostile country, reveal the same political concept with the "promises" that the bases will be closed and the systematic absence of the premier from the debates in the parliament.

The End of an Era

All developments lead to the belief that we are approaching the end of an era with the models brought from abroad from the East and West, the end of the economic approach to the majority of the social problems from the liberal or Marxist point of view. Perhaps the question of Cyprus will act once more as a catalyst in our political developments, positively or negatively, although we seemingly are approaching the former version. The period of nationalistic claims, with their corresponding ramifications in the domestic political life, appears to have ended, at least for the time being. This will affect the political image of the premier more, with all its consequences.

Naturally, the consequences are spread across the entire range of our political life: From the Right, the conservative alignment to the Center and the traditional Left. The rearrangement does not concern so much the party representation, the leader or an eventual change in the theoretical process. It goes even deeper and stimulates the priority of values, the precedence of certain economic theories of the political practice itself. Perhaps, for the first time in the post-war period, resounding words such as "socialism," which in the past made the crowds shudder just to hear them, now go by unnoticed because the people are bored of hearing the different variations and seeing the various political hopefuls don a red cloak, believing that they have thus changed their political role.

Most of the more intense manipulations are set forth by the conservative line-up to the Center and the independent Left in all those who have accepted democracy and the rules without any collectivizations whatever. The bells, which began ringing so loudly after Cyprus and the Aegean, multiply the manipulations, but make the cracks that affect the existing formation felt even more. Perhaps this is the reason why there are no stronger public reactions to the autocratic measures applied by the government. Skepticism goes hand-in-hand with amazement, as well as with the fear for the fate of the country and our democratic institutions.

This attitude is not so passive as it has its positive side. The importance of the presence of the parties does not stem only from their theoretical line, or rather, these lines limit their importance, which is judged by the criterion of the practice of the various politicians. This is something that is more deeply democratic and far more rooted in the traditions of Hellenism, which did not consider laconic speeches a virtue, either in the city or in the agora.

These new evaluations and redefinitions of political concept affect the leadership of the majority more. Both because it is in power when it is natural for it to be first in the line of fire of criticism, but also because it must be the one to set the tone of our political life. If it cannot set the tone, it is of secondary importance and reinforces the manipulations by convincing one that the Kastri group and the premier cannot constitute the drawing card for our political life to deal the cards in the political game. Because this is the only function that cannot stop, then someone else must be found to assume it.

LACK OF IDEOLOGICAL CONTENT IN POLITICAL LIFE CRITICIZED

Athens I KATHIMERINI in Greek 4-5 Dec 83 p 4

[Text] The political events of the past 3 months have been characterized by the intensified appearance of two counter-balancing tendencies in the areas covered by the dominant party formations of our country, the ND and PASOK. On the one side, the search for renewal and controversy: expelled, non-affiliated, disillusioned, questioners, pretenders to power and the contesting by the leader, ideological reformers and political activists create a strong political hum as they are set in motion through the entire range of our political arena, seeking to overcome or rearticulate or renew (ideologically and humanly) the dominant formations. On the other side, the "cohesive" response-recourse to the masses of party leaderships and their apparatuses was characterized by the successful rallies in Athens and Salonica. The parallel existence of these two opposed currents again raises, with special intensity, the question if, to what degree and for what reasons, the bipolar confrontation of ND-PASOK continues to constitute the dominant element in our political reality. A question that, to be answered, presupposes questioning and opinions on the subject that constitutes the quintessential part and the nucleus of this clash.

If we go back to 1910, the chronological starting point of the formation and crystallization of the confrontation between the conservative and the progressive political families of our country, we will find that the element which made them different at that time was the opposite evaluation of the possibility and advisability of creating an impersonal, impartial, non-partisan state apparatus (whose creation would, of course, weaken the traditional old partisanship based on favoritism). The division of 1915, caused by the advisability of our country's entrance into World War I, added to this initial opposition the class of the "isolationists" with those who sought the organic, economic and cultural incorporation of Greece into the West. However, the tragic events of 1915-1922, by forming two opposed alignment consciences with strong blood connections, fixed and crystalized the political game by transforming it into a fight for the privileged hold on power and the extraction of money from the lucrative governmental apparatus.

If, however, the relative clash of the two alignments became acute during the difficult years between World Wars, the immediate post-war period brought them closer in the name of the anti-communist struggle.

However, the problem reappeared in an acute manner at the end of the 2nd Civil War: The anti-communist psychosis that it created gave such an extreme (more-over, logically expected) forcefulness to things that the presence in the government of Venizelos-bred individuals and parties for the major part of the 1944-1952 period was unable to prevent the known development, the shaping of the government of the Right, where "national belief" became a professional quality, the title of communist persecuter became a profit-making commodity, the rightist frenzy a criterion of "meritorious" promotions and (with the cooperation of the Germans) the opposition to the Resistance, factors of social atonement and reinstatement. The government of the Right kept, during its entire 11-year administration of the country, the doors closed (except those of the concentration camps) to the leftists and half-closed to the remaining not "sincerely nationalistic" citizens (especially those Venizelists of Plastiras or Kafandaris persuasion).

It was in this sense that the Center Union constituted the last convulsion of the division between World Wars, the last flash of the Venizelist alignment. Once ultraconservative politicians--such as G. Papandreou and especially S. Venizelos--were excluded from the sharing of power because of their origins and their leadership ambitions, because of the expression of the demand by an entire people for equal participation and confrontation by the government. With the post-dictatorial acceptance of this demand by the majority of the political leadership of the traditional Right, the main object of the intra-bourgeois opposition disappeared along with its symbols (coat-of-arms, secret statute, etc.). The center goes out, or rather, is absorbed.

However, from the moment that an entire new people first tasted the pleasure of power in the previously unapproachable government, a new party formation, the PASOK, with its frontal confrontational character, with the loquacity of promises and its outlandish offers, gradually created the vision and intent of an inverted power monopoly and its advantages. An intent which itself now has difficulty in controlling, as is clearly evidenced by the many remarks of the premier about "unnatural symptoms of arrogance and haughtiness that must be eradicated," which, moreover, cannot control to the degree that the unequivocal rhetorical condemnations of the opposition intensify the demand of its followers that not only the Right, but its supporters as well be placed in "history's time capsule."

Therefore, the conclusion I reach is that, if the two great parties--despite the evident leadership inadequacy and the intra-party dispute surrounding the leader of one and the resounding failure of the economic and foreign policy of the other--continue to dominate totally the country's political life, this is because through them two worlds are colliding: the wave and the rock: the people, who, after decades of being elbowed out of the way and humiliated, demand the maximization of their participation in the benefits from the sharing of power (to these, of course, must be added the old-time leftists as well as the occasional opportunists) and the people who are displeased because they suffer from gradual neglect in an area where at one time they monopolized the profits (and for this reason are chafing to seek revenge). The increase of spineless efforts to overcome this polarization, far from indicating a successful beginning of some process, underscores, instead, the detachment of these scattered political power elite from the broader masses.

The Vengeful Character of Politics

Does this assessment of the renewed clash of two opposing worlds that seek the economic and psychological benefits from the distribution of the privileges of power mean, perhaps, that the ideological clash does not contribute in any way to the crystallization of our political conflict? Does it mean that the battles which rage around PASOK and the ND are not motivated in the least by two differently constituted and value-oriented concepts of the correct and effective method of seeking the "general well-being"? The answer to this question may vary according to the level at which an attempt is made to give it. Naturally, no one can dispute that, on the level of general principles, the evaluation of PASOK's followers with regard to the priority and ranking of values and concepts, such as social justice, order, rank, intervention-freedom of action, etc., is different from those of the ND. However, the moment we perceive as ideological confrontation: the confrontation of two constituted, discernible and value-oriented perceptions of the means to achieve the "common well-being" (on the subject of ending the economic crisis), then we discover its total non-existence. There are no opposing ideologies under this concept. There are only transparent and riddled attempts to cover up this non-existence. Those who express them are absolutely conscious that they are not articulating a serious ideological proposal to end the crisis, but an improvised and totally lacking in credibility pseudo-cover of the greedy and vengeful character which our life is gradually assuming. Let us take a closer look at the two opposing "proposals."

Both of them are predicated on a common observation: that the State, which at one time was considered to be the solution to problems, itself now constitutes a serious problem because of the smothering of social spontaneity, of the enormous distances, of the high cost of over-intervention and of its irrationality. A problem for the solution of which the think tank of the ND proposes the return of free trade and PASOK (as well as the KKE (Int.)), the substitution of state control by that of society. In our estimation, both proposals are fraudulent.

The think tank of the ND is well aware of two things: First, even if the ND wanted to, it could never implement its theories to restrain the state. Living under the same roof with the inveterate reactionaries, who seek to conquer the state apparatus exclusively for their extensive partisan use, the ND realizes that its neoliberal theories constitute only an excuse and a means to salve their consciences for this cohabitation. Second, it is aware that wherever these theories were applied they proved to be, economically and politically nearly disastrous. The recent "success" of Mrs. Thatcher to prop up somewhat the sagging British economy stems much more from the international political circumstances--danger of the drop in petroleum production in the Persian Gulf, which caused a significant strengthening of the pound--than from the virtues of her economic policy. Moreover, what is, in essence, Hayek's and Freedman's neoliberalism? Nothing more than an effort of economic rationalization of Nietzsche's basic philosophical concept about the effectiveness of the unhindered-by-social-limitations producer. The businessman, free from all other laws except that of the market, becomes the artist of economic activity. Do the Greek neoliberals believe that--in our complex times where the most easily

merchandized products are the weapons of death--such a concept can solve the political and economic problems of our planet? And our country's?

With regard to the range of our "self-managed socialistic" counterproposal, it would be rather naive to believe that the adding of representatives of consumers, the public, of the local self-government (usually party-controlled), etc., to the decision-making centers can decrease the slowness and the cost of the processes or to change the aspect and nature of the decisions. One would think that it has not been known where these representations lead ever since the time of Rousseau. In our opinion, the premier is too smart to believe in the effectiveness of such social self-management. Rather, he uses it.

If matters are as they are; if the political struggle behind the transparent curtain of two concepts on social organization is essentially a confrontation between two contenders to take over the power, then, are there any possibilities for another party? A party which would endeavor--as a premise for an effective economic and overall social activity--to transfer the state to the citizens and not to the party in power? Not, in our opinion, will such possibilities exist until an undeniable element (the European parliamentary elections, for instance) convinces the supporters of PASOK that their party cannot win again and that, therefore, their best choice would be to prevent the vengeful return of the ND. Would there, then, be a probability after such an indication? This could be objectively possible were there a concurrence of the necessary subjective--party--terms. If, that is, there is a third solution worthy of trust.

Can KODISO [Democratic Socialism Party] be such a solution? Until now it has managed to function as a hallway used by everyone, but where no one stops. The truth is that its overly conservative positions--especially on matters of religion and health--have not allowed it much room to differ from the progressive wing of the ND. Now, however, it has some significant advantages with respect to 1981:

- a. It has demonstrated that it is a bourgeois party which can survive without parliamentary representation. (As a matter of fact, it would have been better had it not acquired it on the way);
- b. The myth of bi-polar effectiveness was destroyed;
- c. It totally dominated the Center; and
- d. The two great parties have been worn by the friction of power while the people saturated with demagoguery may perhaps turn towards a more realistic moderation. It is not, however, sure that its leadership will be able to exploit the objective opportunity that presents itself.

If, in the end, KODISO is not going to be the solution, is there another possibility? Perhaps, if, prior to the Euro-elections, some of the foot-loose "snipers" give the final touch to a substantial and clear program in order to prevent the reconstitution of the fragile "Center Union" in the area of the Left or, this time, the Center-Left.

P. S. I thank my colleagues and friends, Messrs. Makis Moskhonas and Stavros Konstandopoulos, who, in our conversations helped me in my thoughts, without, of course, being responsible for my conclusions.

ITALIAN-HUNGARIAN LABOR UNIONS ISSUE JOINT DECLARATION

Rome RASSEGNA SINDACALE in Italian 9 Dec 83 p 47

[Text] A delegation of the CGIL [Italian General Confederation of Labor], consisting of Luciano Lama, secretary general, Ottaviano Del Turco, assistant secretary general and Michele Magno, head of the International Office, were the guests in Budapest from 21 to 23 November of the secretary general of the Central Council of Hungarian Trade Unions (SZOT), Sandor Gaspar. The delegation engaged in a long conference with the first secretary of the CC of the Hungarian Socialist Workers Party, Janos Kadar. During the meetings which were conducted in an atmosphere of friendship and sincerity, the discussion dealt with the situation of the economies and the unions of the two countries, and comparisons were made between the respective points of view with regard to problems, especially those concerned with peace and disarmament. We publish herewith the joint declaration of the unions as follows.

The CGIL and the SZOT express their grave concern about the deterioration of international relations and in view of the pronounced instability of relations between the East and the West, confirm the need that priority be given to the union initiative directed in all countries toward the safeguarding of peaceful coexistence and economic cooperation among peoples.

It is essential to take a vigorous stand against the tendency to solve political conflicts among states by means of military force. The latter must be replaced by seeking a dialogue and a method of negotiation and reciprocal trust as the indispensable instruments of a just system for the conduct of international relations.

The CGIL and the SZOT express their great alarm at the resumption of the arms race, which among other things intensifies the crisis situation of international monetary reserves, because of the enormous financial expenditures that it imposes upon the world.

The CGIL and the SZOT express their firm conviction that common survival in the nuclear age is a matter to be entrusted to a policy of control and arms reduction at the lowest possible level, a policy which sees in the immediate future the noninstallation of new missiles in Europe and a start toward a substantial dismantling of those already in place.

The CGIL and the SZOT stress the need that the union movement of the entire continent undertake political initiatives and initiatives directed toward the mobilization of the workers in favor of a peace based on reciprocal security and which will gradually lead to a general and controlled nuclear disarmament.

The CGIL and the SZOT pledge to promote through appropriate contacts with the unions of West and East Europe, the holding in times of stress of a union conference on peace and disarmament in Europe.

The CGIL and the SZOT will contact each other periodically to check on the development of the reciprocal initiatives in this field.

8089

CSO: 3528/42

LABOR PARTY REPORTS STRONG MEMBERSHIP GAINS

Oslo ARBEIDERBLADET in Norwegian 7 Jan 84 p 7

[Article: "Fifteen Thousand Members"]

[Text] The Labor Party got 15,000 new members in 1983. The membership figure has thereby reached about 175,000.

The Labor Party's secretary, Ivar Leveraas, tells the party's press service that the goal of 200,000 members before the 1985 election campaign appears to have been reached. The recruitment campaign will continue in 1984, too.

Leveraas says further that all political and organizing activity henceforth will be directed toward winning the election in 1985 so that there will again be a government made up of the Labor Party. Although for the time being the party is in good shape, Leveraas cautions against anticipating victory.

"We must reach considerably greater support if a majority is to be within range. The polls show that today we have support of a good 40 percent. The increased support we need will certainly be considerably harder to get and will cost more toil than the extra advance we had in the fall of 1983," he emphasizes.

Leveraas considers it an advantage that today there are more voters who are changing parties than before. He thinks that this will give the Labor Party growth possibilities.

"But this means, too, that the parties all the time must make an effort to maintain confidence. We do not get voters for our very own. The old truth that election campaigns are won between elections still holds true. But election campaigns are more important than before. We must take into account the fact that the number of voters who have not taken a stand before the election campaign begins will be much greater than before. In this there lies a big challenge," Leveraas emphasizes.

8985

CSO: 3639/59

BRIEFS

FOREIGN AID MINISTRY BEING ESTABLISHED--The move in connection with the establishment of the new department of foreign aid will be complete by 10 January. The new department will still not be under one roof but in three different places in Oslo. The department's political and administrative sections will be on the three upper stories at Victoria Terrasse 7. The decidedly largest unit in the department, NORAD, will be a Dronning Maudsg. 4 and Torvg. 1. At the first-named place you will find NORAD's information office and library, while the personnel and grant divisions and the office for private organizations will move to Torvg. The department for foreign aid will have a total budget of between 4.3 and 4.4 billion kroner for 1984. That constitutes over 90 percent of Norway's foreign aid. [Text] [Oslo AFTENPOSTEN in Norwegian 2 Jan 84 p 14] 6893

CSO: 3639/53

POSSIBLE 1986 PRESIDENTIAL CANDIDACY OF MIGUEL ROCA

Madrid CAMBIO 16 in Spanish No 632, 6 Jan 84 pp 21-22

[Article by Carlos Davila]

[Text] Jorge Verstryngge must surely be thinking that Miguel Roca is lucky: his name, his personality, instead of reminding him of a toilet reminds him only of his bathtub. Obiols is even more generous: he likens the reformist operation to the surgical removal of an appendix rather than to an "extra-corporeal" operation performed under the worst conditions for the patient. Up to yesterday, Roca was loved and respected even by his enemies; today, he has become an objective, a target that must be demolished before it occurs to him to have serious aspirations to the Moncloa.

If that were not enough, "perennial minister" Martin Villa has resurfaced and has judged the qualifications of the PRD [Reformist Democratic Party] leader to be the worst possible for a "public affairs" administrator. Martin Villa has said, "He is not a politician; he is simply a political broker." With this definition the centrist minister is not merely alluding to the undeniable broker nature of the Catalan minority leader and to his excessive predilection for almost commercial agreement and negotiation but is also pejoratively ascribing to him the worst characteristic that can be attributed to a presidential candidate: opportunistic and situational versatility.

Doubtless Martin Villa does not remember that unfortunate day when he put on a comic opera in the Chamber of Deputies with his "partner," Alejandro Rojas Marcos. He does not remember it because the memories of out-of-office politicians are always favorable to themselves. For the present, Roca is in office; however, no one is convinced that the well-thought-out operation of reformism is solely a strategem to win the votes of the "charnegos," of the emigrants who "live and work in Catalonia." Very few know that Miguel Roca is not the founding father of the operation but rather has simply placed himself at the head of the parade for reasons that we will discuss later.

The leader of the minority, in the final analysis one of the few nonsocialist politicians who was not defeated in the October 1982 elections--how distant that month now seems!--was personally sought out in Barcelona by a

small group of politicians, remotely connected with the UCD [Democratic Center Union], who refused to remain forever constrained by the socialist-conservative tide.

Florentino Perez, former director general of the YRIDA; Jesus Laca, former technical secretary-general of finance; and Botella Garcia Romanillos traveled to Barcelona. Roca must have heard something interesting because he was quickly convinced of the idea and promised to speak with regional leaders more or less persistent in holding to the Center concept. Roca and the travelers quickly--perhaps too quickly--launched reformism: they received commitments from Alberti, a rather questionable Mallorcan who, nevertheless, has a good electoral record in Mallorca; the Galicians, orphans of the UCD; some Canarians; residual Andalusians, among whom Roca found a notarial pearl named Marin Sicilia; and several Almerians, expelled from the UCD and responsible for the first defeat of their former party in the province.

All were present at the first convention of a political entity which is not yet a party, which does not have an emblem, which obviously cannot boast of having a single cent and which has already issued a somewhat pro forma manifesto--that is true--describing a Center group. The manifesto is not confessional but is very matter-of-fact. Its principal thread is progressive liberalism, the absolutely irreversible requirement established by Antonio Garrigues as the "trademark" of the reformist operation. The founding group, which is chaired by Garrigues himself, is now making preparations for a second convention which will be held before the Catalan elections in April and will attempt to place a "reformist cell" in each of the Spanish provinces.

The other founders, among whom the Galicians are the most numerous, who unblushingly admit that they are choice candidates for victory in the upcoming regional elections; the above-mentioned Mallorcan; and former centrists of greater or lesser renown, such as the group's members of parliament who have already committed themselves to the reformists, have great reservations about Garrigues' chairing the founders' group and informed Roca of this. Roca had to use his utmost powers of persuasion to convince his activists, his partners in a party that is not even his.

Problems at Home

This is the novelty: Miguel Roca is not and will never be an activist in the Reformist Democratic Party. "I already have a party, and it is the Democratic Convergence of Catalonia." In the principality, Roca has had more problems than he admits convincing his colleagues of the need for organizing this operation throughout Spain. "There, we said state," admits Punset, who awaits news of the reformists on a big bench. The most radical nationalists thought that Roca's ambitions were a denationalizing factor which could put an end to Pujol's party. The president of the Generalidad at the outset also was not in favor of the idea of seeking a political "correspondence" throughout the country. Previously he was frankly opposed to the idea. However, as it turns out, public opinion polls serve the

purpose of quasi-announcements and Pujol soon learned that Miguel Roca's operation could guarantee him votes this spring. More than enough reason to say, "This is not a Roca operation but rather an operation of the entire Convergence and, of course, of the president of the Generalidad."

The president of the Generalidad, as is known, is Jordi Pujol, a politician with mythical pretensions, who from time to time permits himself to speak in the magisterial plural, as if he were the pope. The problems of the Convergence continue, and there are still so many of them that Roca's original plan of forming a Reformist Democratic Party-Democratic Convergence of Catalonia has had to "go into hibernation" for now, in expectation of a better occasion.

Catalonia Decides

Will there be a better occasion? Well, that is the key to the situation. The reformists are confident that their not-so-anonymous partners in the Convergence will win the Catalan elections quite handily, which is the only way--no matter what the volunteer founding fathers may say--reformism will be able to move forward with the possibility of becoming the third political force of the entire nation. There are public opinion polls for all tastes; however, they all agree on a worrisome percentage: the one that indicates 65 percent of the people have not yet decided what their vote will be at the beginning of April. Raimon Obiols is counting on these "Do not know/No answer" voters. He is an elegant, attractive but enormously sad candidate who is looking to these voters to unseat Pujol from the presidency of the Generalidad. If this happens, I believe that reformism's constituent congress, which is scheduled for the month of May in Madrid, will not even be held.

At this congress (if Catalonia comes out all right) Miguel Roca will be presented "very much American style but with British seriousness," according to the secretary of the reformist founding group, Florentino Perez, as a "candidate for the office of prime minister in 1986." After that (if Catalonia comes out all right) Roca will leave his by-the-week room in the Hotel Palace and will become a citizen of the municipality of Tierno Galvan, because he will seek and find an apartment in Madrid, the capital where, however, he will spend only a few days a year because (if Catalonia comes out all right) Roca will begin to travel frantically throughout Spain to become what everyone is now denying him: a national leader, and to work the definitive miracle of being a nationalist Catalan accepted by all Spanish voters.

The task is not an easy one; however, he, Miguel Roca, customarily says that he has already traveled to Cambados, where Fraga predicted a historical fiasco for him, but, nevertheless, "They did not exactly boo me." There is something not much to Roca's liking, namely that he is being compared with Francesc Cambó, among other things, because his predecessor, it will be remembered, was unable to move up from the position of minister of development and he, Miguel Roca, has not become involved in the reformist embroglio to obtain a ministry, as he was twice offered such a position by Adolfo Suarez.

Roca's ambition, "to reach the Moncloa," curiously is going to be used to convince insiders and outsiders of the political sincerity and philanthropy of the leader of the Catalan minority in the Madrid Congress. "Anyone who thinks that Roca does not want to be prime minister does not know him," his new friends of the PRD are saying. By this they are trying to make his plan credible. A progressive plan which as has been clear from the beginning of this report has aroused the ire of the Right and the Left. Both political poles were perfectly satisfied after the last elections and both decided that from then on no one would again commit the frivolity of creating an artificial Center.

But the Center must have something, since 1 year later everyone more or less formally has turned his eyes toward that space with his mind made up to win the 3 million votes which apparently are located there. Miguel Roca voted for the Center a few days ago in the Chamber of Deputies on a law such as the LODE which privately seems to him as bad as it does to the Christians of the PRD. Roca needs to set himself apart from the Right and the Left and to this end he cannot vote continually the way the popular coalition votes. Roca has already said as much on the subject of abortion and has done so again on the LODE vote.

And all this with an enormous political gesture because on the two historical occasions--the votes on the two laws--the current allies of the Convergence, the Christians of the Democratic Union of Catalonia, exposed the leader of the minority to a situation of near rupture. In his brokers style, Roca settled the matter, conceding democratic freedom of vote on abortion and managing to get the Christians, after many amendments and promises of greater concessions in the Senate, to vote "Yes," which was done as they held their noses, as the scene was described by deputy Duran in the corridors of Congress.

PDP, in Opposition

The Catalan Christian Democrats emerge from Roca's state operation plan with very little to show for it--this is the truth. They are afraid--and this is not very likely for the moment--that the reformists will end up reaching an understanding with Oscar Alzaga's Popular Democratic Party and the Union will be left with a tiny Catalan figurehead group on which the Convergence will turn its back when the time comes to forge coalitions. However, relations between the PDP and Roca are far from good; in fact, they are very bad and the recent charade over the LODE only worsened the relations. Former Christian Democratic activists are starting to go over to reformism; they are resisting incorporation by the conservative voracity of Manuel Fraga. One of them, Juan Antonio Ortega y Diaz Ambrona, last UCD secretary-general, formally requested permission to attend the first national reformist convention. Some provincialists, whose travel fares had been paid, viewed him with a certain amount of distrust because no one in the new party is eager to repeat the UCD's misfortune. Therefore, former ministers have not yet joined. The charter reformists are saying, "Those fellows need a rest cure."

8143

CSO: 8148/0607

NEW ELECTORAL LAW TO GOVERN BASQUE ELECTION

Madrid ABC in Spanish 10 Jan 84 p 22

[Text] The next autonomous elections will be governed by the new law, approved in the course of the plenary session held by the Basque Parliament last 2 December. The legal text, about to become effective, consists of 130 articles, aside from additional, provisional and final ordinances. In all, the one outstanding article stems from the paragraph which touches upon the increase in the number of seats held currently by the autonomous chamber.

Actually, the 60 become 75, or what amounts to the same thing, for each of the 3 electoral districts which match up with the 3 historical areas belonging to the Basque autonomous community, there will be 25 representatives, which will promote the rural vote. It happens that this increase arose from proposals made by both the Popular Coalition and Euskadiko Ezquerria that the nationalists accepted in exchange for both political groups' withdrawing their amendments to the bill. When the counsellor to the Presidency, Javier Cano, defended the law, he gave assurances that the increase in the number of deputies would produce broader representation. Spokesmen of the PSE-PSOE, who presented several amendments, remained silent with regard to such an increase.

From an analysis of the electoral prospects, it will follow that this increase in seats will favor the majority political parties. Thus, for example, based on the trend from past municipal elections with the present number of 60 seats, the PNV would get 26 seats, while with the increase to 75, it would acquire 6 more representatives. The PSE-PSOE would be increased by 5 seats, thereby obtaining 22; AP and HB would add 2 more, thereby bringing together 7 and 10 respectively, while Euskadiko Ezquerria would not profit but would remain unchanged at 4. Another of the arguments used by the socialists to criticize this increase was based on the fact that with it expenditures will rise and that the increase is not justifiable because of residents of the Basque area.

Other outstanding aspects in the articles of the new election law cite the short time limit between the electoral convention and the elections, greater professionalism in the electoral college branches, suppression of administrative control over electoral material (prior funds) and greater discipline in contribution of funds and control of income earmarked for the campaign. The PSE-PSOE proposed that the list of ineligible and incompatible be added to general deputies, privileged deputies and mayors, which was not accepted by the nationalist group.

ILICAK ON LOCAL ELECTION LAW, PARTY PARTICIPATION

Istanbul TERCUMAN in Turkish 29 Dec 83 pp 1, 10

[Text] Articles on preparations for the law regarding local elections are appearing in the press. Realization of these elections seems to be definite in June.

Despite various speculations, we are of the opinion that it will not be possible to apply measures to prevent the participation of five parties in the local elections. We do not imagine that it is the aim of the Motherland Party to prevent the participation of SODEP [Social Democracy Party] and the Straight Path Party in the elections. Because, all the party members beginning with Turgut Ozal are persons dependent upon democracy who partake of the view that the national will is the source of power.

Already both Yanikomeroglu, Chairman of the Supreme Committee of Elections and Boyacioglu, Chairman of the Constitutional Court are using a definite expression that leaves no room for doubt, stating the necessity of participation by Straight Path and SODEP in the local elections.

Before the 6 November elections, both Straight Path and SODEP applied to the Supreme Committee of Elections for permission to participate in the general elections. The Supreme Committee of Elections replied in the negative to Straight Path and SODEP, who had demonstrated the fulfillment of the conditions of "establishment in more than half of the provinces" as stipulated in the provisional second article of the Law of Election of Representatives, because of "necessities and special conditions in the administration of the country." Now conditions have changed and the obstacle facing the parties has been lifted.

Local elections, today, are the greatest test awaiting Ozal and his party. If SODEP and Straight Path collectively receive over 50 percent of the votes it will immediately put early elections on the agenda. Especially if Motherland's votes are reduced to the level so that it cannot make up a majority, the road to early elections will be opened. If the belief dominates that the majority in the Parliament does not represent the national majority, early elections will be inevitable.

In an environment where it is necessary to make important decisions, it is sad for Turkey to be pushed into political instability. But, unfortunately, we are today in a position of suffering from past mistakes. That is to say, we cannot assume an antidemocratic attitude in order not to upset the stability.

Because of that error, it has not been possible to take aim at one of Turkey's primary problems, "the target of stability." If the division in the right is not repaired in the shortest possible time, those who have caused this will bear a very heavy responsibility in the face of history.

12587

CSO: 3554/113

BIRAND COUNSELS PATIENCE IN COE PARTICIPATION

Istanbul MILLIYET in Turkish 30 Dec 83 pp 7, 11

[Text] Now, we have left 1983 behind.

We have gone through a year with its pessimistic, joyous, good and unhappy moments. Now, we are preparing for a new one.

Everyone can reach his own conclusions when he assesses the past 12 months. My assessment is not very bright. For this reason, without going into too much detail, it is best to look ahead, ignoring a considerable part of the events. Because of these reasons, this time I will not write the traditional "year-end roundup" piece of every paper and most writers. Furthermore, I am very angry at 1983 for its disappearance in the blinking of an eye.

My heartfelt wish for my readers is that they be happy in 1984....

The most critical test in the relations of Turkey with Western Europe will arise in the session of the Consultative Assembly of the Council of Europe which will convene on 30 January in Strasbourg, when it will become clear whether or not the 12 Turkish Parliamentarians who have not been able to participate in the Assembly since 1981 will be allowed to return.

One group of parliamentarians in the Consultative Assembly of the Council of Europe is arguing that Turkey has not entered a true democracy and that the new Turkish parliamentarians should not return to their old seats. Their numbers are not negligible. Another group of parliamentarians not only wants Turkey to come back but, pointing to their recent October decision, says, "Had it been up to us, we would have thrown out this decision." Yet another group wants to postpone the vote to May because the return of the Turkish members now would cause considerable quarreling in the Assembly.

As we have emphasized in our previous article, the most recent inclination of the Council is to decide about Turkey in May instead of January. The aim is to gain time and to give them the opportunity to soften their previously hard line.

The Council of Europe regrets the step taken in October and is looking for a way out. At this stage, it would be a very profitable approach for Turkey if the new Turkish parliamentarians were helpful to this body by not causing any unnecessary friction or stress.

Turkish parliamentarians can go to the January meeting with their official documents. Such a move, however, does not have any meaning other than forcing an immediate decision by the Consultative Assembly of the Council whose current divisions make it virtually impossible to tell which group will constitute the majority. Nobody can guess in advance which way a cornered Consultative Assembly will cast its vote. A negative vote this time may force Turkey to withdraw totally from the Council--even from its governmental wing.

Even if there is no negative vote in January, there will surely be objections to official credentials. Even the objection of a single parliamentarian will cause the scrutiny of the standing of the 12 Turkish parliamentarians and virtually pave the way to the establishment of a new investigation commission.

Both possibilities, in conclusion, will endanger Turkey's membership.

Separation of Turkey from the Council of Europe would not be like the separations of Greece, Spain or Portugal. Those countries are European as it is. They can separate and return. Yet, Turkey has been speaking openly of its perceived need for a "European Identity Card" and been acting accordingly.

Thus, the best formula for Turkey, in the current atmosphere, is not to send a parliamentary group to the January meeting; just the opposite: to wait for an invitation of the Consultative Assembly of the Council of Europe. This will be realized in May.

Let the Council request Turkey's participation. Let the Council speak openly of abandoning the October decision and send a message to the Turkish parliamentarians: "We want you."

Such an approach shows that Turkey is not rushing to get a European identity card at any cost and not moving blindly to take its place in the Council.

For once, let us take it easy. Moreover, such conduct, because it will prevent highly probable complications, will gain respect.

Many happy years....

12587
CSO: 3554/113

NAVY'S 'TORNADO' FIGHTER BOMBER CREW TRAINING

Bonn WEHRTECHNIK in German Nov 83 pp 34-44

[Article by Wolfgang Flume]

[Excerpts] TORNADO is a highly regarded weapon system, as one might well expect of a third-generation aircraft. It is easier for beginners to become familiar with; like any aircraft, it has a natural stalling warning by starting to shake when stall speed is approached. The STARFIGHTER on the other hand, a second-generation aircraft, is and was more difficult to "tame"; it is a single-seater, requiring the pilot to divide his attention between flying the aircraft and operating the weapons system, which, compared with the TORNADO, is somewhat limited. The TORNADO has two crew members: in the front cockpit the aircraft commander, in the rear the individual now known as weapon system officer (WSO), formerly designated the combat observer (KBO). The division of tasks which is made possible in this way has become a necessity, since as a weapons system the TORNADO is considerably more challenging and far more effective than the F-104G; in other words, each crew member works just as hard as did the single pilot of the F-104G, if the TORNADO is to be pushed to its optimum performance.

Careful Training

But there are other reasons why the transition from STARFIGHTER to the equally fast TORNADO is simpler than the same procedure was 20 years ago: at that time the officers of the lead cadre, in other words, the instructors, had only about 300-500 flying hours when they transitioned from the mild SEAHAWK to the F-104G. Now the senior officers of the squadrons have 3,000-5,000 flying hours, which makes them old experienced types, just like most of the already transitioned TORNADO pilots who in many cases have the same number of flying hours under their belts. While in the old days 12 hours (later increased to 20 hours) were considered sufficient for transition to F-104Gs after 5 years' SEAHAWK experience, today fully qualified STARFIGHTER pilots require 35 hours for retraining. Since every effort was made from the very beginning to avoid the catastrophically high accident rates of the STARFIGHTER, flight training for TORNADO crews was very carefully prepared. Two years prior to its transition to TORNADO, i.e., after 1981, the Navy Flying Squadron No 1 no longer accepted any new pilots; rather, the pilots of the squadron started retraining at the TTTE TORNADO Trinationall Training Establishment in Cottesmore, which opened in January 1981. Apart from

comprehensive theoretical instruction, the pilots receive TORNADO flight re-training, including 35 hours of flying time, in a 3-month period. Thereafter, they go through an operational weapons training course of almost equal length and 30 flying hours, currently at the 38th Air Force Fighter Bomber Squadron in Jever (the former 10th Weapons School); until last June this was done in Erding. What is remarkable is that old experienced flyers with several thousand flying hours are going through this retraining.

The navy fliers participated in establishing the TTTE training curriculum--it includes, for navy pilots, training flights over water, since about 80 percent of operational flying of the 1st Navy Flying Squadron takes place over the North Sea and the Baltic.

Back in the squadron, crews undergo further training in the Tactical Combat Training Program (TCTP), the regular annual training schedule, since in peace times all flying is training. Eight months later the crew is supposed to be combat ready once again.

For those of our readers who are interested in becoming TORNADO pilots in our naval aviation or in the air force, we are herewith showing a brief version of the prescribed flight training, which is supplemented with regular officers' training:

--flight physiological examination in Fuerstenfeldbruck at the Air Force Institute of Aviation Medicine;

--"screening," primary flying instructions of about 25 hours on PIAGGIO P-149 aircraft, also in Fuerstenfeldbruck. That is where the decision is made of whether the young man becomes a pilot or a weapons system officer--both are equally intelligent, but the pilot should have slightly greater talent for flying or, as the old fliers' expression has it, "more of a sixth sense in the seat of his pants";

--thirteen months of jet pilot training in the United States on Cessna T-37 and Northrop T-38 TALON, with about 260 flying hours;

--back again to Fuerstenfeldbruck for another 3 months with the 49th Fighter Bomber Squadron, with 40 hours on the ALPHA JET, the so-called ALPHA JET weapon system trainer. Here he flies for the first time with a weapon system officer and learns about weapons, operational use of weapons, tactics and, for the first time, actual firing. After that he goes to Cottesmore, as described above.

A Novelty: The Weapon System Officer

What happens to the WSO candidate? After Fuerstenfeldbruck he goes for--about 9 months of WSO training of at Mather AFB, Sacramento, CA, where he flies about 90 hours on T-37s and C-39s, the military version of the Boeing 707. His training there takes place together with the USAF and GAF WSO candidates.

--in Fuerstenfeldbruck he gets 30 hours on the ALPHA JET together with the pilots;

--26 flying hours in Cottesmore, and

--20 flying hours in Jever conclude his training before he joins his operational squadron, after which he does a lot of flying for about 1 year within the TCTP before being combat ready.

In contrast to the air force, where a second man has been in the cockpit for more than 10 years in the F-4 PHANTOM, the WSO is something brand new for the navy--and something which initially caused skepticism among the old single-seater F-104G pilots. But after some initial problems with "the guy in the backseat" they are now enthusiastic: "Things would be impossible in the TORNADO without the WSO," because he takes care of the major part of the operational tasks. That is one reason why the weapon system officer designation, which is in use by the air force also, is much more appropriate than the passive-sounding "combat observer." Working together as a crew produces a mutual exchange of information (without holding animated discussions inside the aircraft); four eyes see more than two and two brains think better than one.

At present the squadron has with its 50 WSOs more than the required 44 permanent-party WSOs: altogether, the navy will eventually have 120. The navy has a planned force of 112 TORNADOs. This includes the rotation reserve aircraft. The 1st Navy Flight Squadron has at present 48 aircraft in Jagel.

The navy succeeded in obtaining all its WSOs from its own ranks, from the squadrons and the fleet. About 300 military personnel, mostly chief petty officers, applied: 40 were selected. The selection criteria were as follows: maximum age 28, successful completion of a 6-month officer training course. The training program of the permanent-party WSOs was as follows: screening on P-149s; about 120 flying hours in the two-seater G-91T at Fuerstenfeldbruck; F-4 training in the United States and 1-3 years' duty as combat observer in air force F-4Fs; transition training in Cottesmore and Erding. A few had a slightly shorter training course in the navy: after the G-91T they flew about 50 hours in the two-seater navy TF-104s prior to going to Cottesmore.

120 Flights Per Year

In the squadrons, crew members fly about 180 hours per year; since one flight lasts 1 1/2 hours on the average, this results in some 120 sorties per year. Every sortie consists of several training phases--the TCTP merely states how many different training phases each pilot and his WSO have to fly per year so as to become or stay current. Among other things, these training phases consist of the following:

--individual attacks on a target;

--several aircraft attacking one target. An important training objective within those phases are also routing, navigation, evading an aerial threat, etc.;

--simultaneous attack by several aircraft coming from different directions on a single target. This serves to confuse the air defense of the target and provides greater surprise;

--visual low-altitude flights, also with IFR, and automatic or manual terrain following flight over water and land;

--visual or electronic reconnaissance;

--electronic warfare (ECM, ECCM and ESM);

--aerial refueling.

For the latter purpose, the TORNADO has a special refueling tank with telescoping probe below its fuselage and additionally two optional wing tanks.

--weapon delivery procedures which are standardized for either firing ranges or tactical operations. Practice consists of cannon fire (in low-altitude flight and on a slightly inclined flight path), bomb delivery from low-level flight, from a 20-degree inclined flight path (which permits greater accuracy since the aircraft approaches the target directly), and loft bombing. In these exercises either real or practice bombs are used, or cannon fire; this is different from the so-called simulated weapons training, in which actual targets (e.g., ships) are approached and the use of weapons (e.g., bombs, cannon, KORMORAN naval missiles and SIDEWINDER air-to-air missiles) is merely simulated.

Added to the above are such other training phases as long distance navigation. The training is supplemented by theoretical instruction as prescribed in Theoretical Combat Training (TCT).

The flight schedule, i.e., the operational plan for every week is "negotiated" during the preceding week. On the one side there are the "wish lists" of the two flying squadrons for satisfying the training flight objectives--they always include takeoff times, number of aircraft and armament configuration. On the other side there is the turn-around time between two flights and aircraft availability, which cannot, of course, be as high in a new weapon system as it is in one which has been operational for 20 years. Thus the desired annual flying time of 180 hours per pilot is not yet fully accomplished.

As to flight operations, the squadron has introduced a squadron shift operation. Within the squadrons, pilots and WSOs have been divided into four groups; every group has about four pilots and six WSOs (among aircraft commanders, command pilots are counted also), thus providing about an equal number of flying hours for pilots and WSOs. These groups are in fact a first step in forming permanent crews. The daily flight program is divided into blocks, i.e., several aircraft take off within a certain time frame (e.g., 1 hour), and are dispatched two or three more times during that same day. On the average, crews fly once per day; during exercises this can increase to twice or three times.

Good Flying Performance

The safety provided by two engines is greatly appreciated, especially in over-water flights. Also, the TORNADO is an all-weather combat aircraft which can employ its weapons accurately in any type of weather. For this purpose the aircraft is crammed full with a variety of electronic instruments, which do indeed require a two-man crew for their operation. Their duties are divided as follows: the pilot flies the aircraft--in low-altitude flight over land with terrain-following radar--and handles the launching and firing weapons (missiles and cannon), while the WSO is responsible for navigation and bomb dropping, while also operating the appropriate radar for both functions.

Despite its fully automatic operation, including automatic pull-up of the aircraft in case of suddenly appearing obstacles, the terrain-following radar requires the pilot's total concentration. Experiences made primarily with the F-111, the first aircraft using terrain-following radar, indicate that some pilots cannot stand the stress. The same may be true for us, where only young pilots who have total confidence in their instruments fly in the automatic low-altitude flight mode, while older pilots have greater confidence in themselves. At present the lowest permissible altitude is 500 ft (150 meters); the system's state-of-the-art minimum altitude of 200 ft (60 meters) will probably be authorized later on, when greater experience with automatic low-altitude flight has been accumulated.

Computerized Flight Planning

For normal flight, the automatic pilot is used to a greater extent than before; for maintaining altitude, it employs the radar altimeter and over land also the terrain-following radar. The F-104 used only the barometric altimeter for that purpose. Flying with automatic pilot, as well as weapons operation, have been greatly facilitated in the TORNADO by a programmable onboard computer, the most modern flight instruments and ground programming stations. For the 64 k (shortly to be 128 k) onboard computer, there are two kinds of "flight plans":

--the computer-stored, non-crew modifiable Operational Flight Plan (OFP) with aircraft and weapon system relevant data, e.g., bombing runs;

--the Mission Flight Plan (MFP) with data which the crew can program prior to the flight, e.g., route, load, fuel quantity, flight plan, etc.

The MFP data are entered in a small cassette similar to ordinary music cassettes in the Cassette Preparation Ground Station (CPGS). The crew takes this cassette along into the aircraft for programming the onboard computer. If a prescribed route is to be flown in routine flights (the squadron has several of them), with prescribed way points and fixed points (outstanding terrain features to be fixed by the onboard radar for navigational checks), the data stored for this purpose on floppy discs can be transferred to the cassette with the push of one button in the CPGS. The CPGS is a data processing instrument with keyboard, display scope and plotting table. To enter his route into the cassette, all the WSO needs to do is to place a magnifying glass on the geographic coordinates

of the route he has selected on the plotting table and to push a button. Desired flight altitude and flying time are then entered--which automatically indicates the amount of fuel required. Or, the takeoff time and time over the target is entered--speed and fuel are computed. Altogether it takes no more than 5 minutes to put the MFP on the cassette. In the aircraft the WSO inserts the cassette and after takeoff the pilot can initiate the fully automatic flight to the target and back at the preset altitude and speed. Navigational accuracy is surprisingly great--after one hour's flight, there is a course deviation of something like 0.2-0.5 nautical miles, i.e., an error of some 400-900 meters after a flight of 700 km--and that only if there are no intervening corrections by recognizing outstanding terrain features (i.e., those which can clearly be identified on the radar scope) on or along the flight path. Other means of correction are comparison of the measured position with the position identification of the map plotting instrument and input of the corrected position into the computer by the WSO. The latter can, of course, reprogram the central computer while in flight, deviating from cassette preprogramming. Two reference points for the inertial navigation instrument are already available on the ground prior to takeoff: the precisely located shelter and the takeoff point--the time between these two is already sufficient to measure the drift of the inertial platform. A Doppler navigation radar provides inflight information about ground speed. The pilot himself has in his cockpit a display for the map position instrument; at the upper left, on the terrain-following radar scope, he can superimpose the radar picture for the map segment concerned. The WSO, who is responsible for navigation, has, straight in front of him, a combined radar and map image scope (which permits separate or superimposed display); to the left of this a data display instrument showing the flight path on a map grid; to the right an indication of navigation data. Both images are computer generated. Both scopes also serve to show IR or TV pictures (if the TORNADO is equipped with the corresponding sensors or guided missile) and other necessary data such as clock time, speed, direction, wind velocity, altitude, fuel, etc.).

Weapons delivery is extensively automated also--in addition, there is, of course, also a manual operation mode, as it is for navigation. The target is spotted optically by the pilot via the Head-up Display (HUD) or on the onboard radar; the onboard computer then uses the stored weapon-specific data to calculate the weapon release point for the bombs to be dropped by the WSO. In the automatic operational mode, the computer detonates the bomb at the appropriate moment, if the WSO has pressed the bomb detonation button prior to the bombing run. The pilot is shown by the HUD at the same time how he must approach the target, e.g., how he must pull up the aircraft for loft bombing. Also from the HUD, the pilot gets all relevant flight data such as speed, altitude, direction, climbing or descent rate, etc. One particular advantage in naval operations: if the radar-approached ship target has been missed by the weapons despite all the computer and piloting skills, the target position of the first bomb run can be reentered and the target can easily be found again during a second approach even during bad weather, since the computer provides the necessary flight maneuvers for accomplishing this.

A Modern Simulator

The pilot and the WSO practice all this in accordance with the TCTP supplemented by theoretical training, but also on the simulator manufactured by the Canadian firm CAE Electronics Ltd., located at the naval aviation airfield. On this simulator, which should be fully operational by 1986, every crew member flies 12 sorties per year, each lasting about 2 hours following one hour of preparation. The simulator no longer needs a moving system due to the built-in, expensive General Electric/MBB computer-generated image CGI. Feelings of motion and acceleration are however very realistically imparted to the crew by pressure suits and G-seats. At present the flight simulator is used as a general and weapons use simulator; the visual system is being installed just now. Later on it will acquire the capability for radar land mass simulation and electronic warfare simulation (by AEG-Telefunken). The visual system with its three projection screens has a visual angle of 120 degrees; the computer can create up to 8,000 image edges per scene (a cube, for example, requires nine visible image edges) and 4,000 points of light for night scenes. Optical quality is enhanced by texture--a green surface has certain shadings and cross-hatchings which enhance the 3-D effect of the image. (A detailed description of the simulator was published in WEHRTECHNIK 4/83.) Moving targets such as ships and aircraft can be incorporated also. If photographs of potential targets or terrain are available, the computer can generate an image from them. However, as a rule only images of airfields, firing ranges or outstanding landmarks are in the computer. Since every point of the image is computer generated, the scenes can be shown from all points of view and at all flying speeds.

On questioning the pilots and WSOs about their impressions about the TORNADO after 1 year's operational experience in Jagel, one hears nothing but positive remarks. The crews are impressed with the aircraft, its flight performance, its weapons and navigational accuracy. That is the case also with TORNADO aircraft commander Lieutenant Commander H. Neugebohrn in his article "The TORNADO in Service With the German Navy" in WEHRTECHNIK's sister publication NAVAL FORCES V/83.

A Few Remaining Logistics Problems

It is obvious that after 1 year's experience with an entirely new, tri-nationally manufactured aircraft not everything is going smoothly as regards replacement and spare parts, and as regards the functioning of test equipment, etc., as was the case for instance with the PHANTOM, which was introduced into the air force as a seasoned model and for which "spare parts could quickly be picked up in the United States--if necessary by an air force Boeing." If spare parts are occasionally available only after some delay or even unavailable, there are several reasons for this. One of them might be the organization of air force logistics--the air force is responsible for all flight material in the FRG armed forces--or it might be "prior access" by some nations responsible for logistics (there is no joint TORNADO logistic setup) to manufacturers in other countries. Also, insufficient experience has been accumulated to date regarding stockpiling requirements for every spare part.

Also, the transition to local testing facilities for aircraft equipment components or to generally usable automatic test systems still has some problems; not all instruments are available yet due to certain technical modifications. It looks at present as though more human intelligence, more technical training in maintenance, troubleshooting and repair will be required within the squadrons than was originally intended. That is why the squadrons still must depend upon the TechReps, the technical representatives of the manufacturers, and one dozen of them are supporting the flying personnel.

In summary, the last few lines may sound somewhat critical--however, the fact that the assignment, and therefore the operational readiness of the first detachment of the squadron is already scheduled for the end of October (in the former F-104 role: bomber and KORMORAN user), shows that the weapon system is under control and that certain deficiencies during the introductory period must not be overestimated. The squadron is satisfied with the aircraft from the flying and technical standpoint, and practically enthusiastic about its performance.

The 1st Naval Aviation Squadron [MFG 1]

The 1st Naval Aviation Squadron, commanded by Captain Klaus Wewetzer, became the first German squadron in July 1982 to accept delivery of the first TORNADO. Since then, the squadron has flown more than 4,000 hours on this model without accident.

The squadron has a 25-year tradition: in the summer of 1958, the first naval aviation group became operational, with one SEAHAWK detachment and one GANNET detachment, at the Schleswig-Jagel Air Base, with housing in nearby Kropp. In 1959 it was redesignated the 1st Naval Aviation Squadron, which then had two SEAHAWK detachments. In 1963 it started transitioning to the F-104G STARFIGHTER, which was flown by the squadron until 28 October 1981, with 132,000 flying hours. By now the squadron has a total of some 180,000 flying hours.

The squadron organization is hardly different from air force squadrons: the command staff, the flying group with two flying detachments, flight operations detachment and geophysical advisory unit; technical group including maintenance and weapons detachment, repair detachment, electronic detachment and resupply detachment; also, a base operations group with security company, air defense detachment (with radar-guided 40 mm guns), a transportation detachment and a medical detachment. In a national defense emergency, a second security company and a runway repair detachment are added.

Total squadron personnel includes about 1,600 military and 400 civilians, of which about 1,000 military are in the technical group, 250 in the flying group (of which 120 are aircrew) and 350 in the base operations group.

9273

CSO: 3620/148

ENGINE EXHAUST VENT DEFECT IN PURCHASED MIRAGE F-1'S

Madrid DIARIO 16 in Spanish 10 Jan 84 pp 1, 7

Text Defense Minister Narcis Serra has officially acknowledged that the Mirage F-1, sold to France to the Spanish Air Force, are defective, damage caused by corrosion in the engine exhaust vent having been detected.

The Spanish defense official thus answered a parliamentary question formulated by Popular Group deputy Juan Antonio Montesinos Garcia who kept asking the government whether it was true that malfunctions in the F-1 threaten the safety of the pilots and areas being overflown.

Corrosion, according to the minister, was detected in some of the 70 units acquired by the air force in the last quarter of 1982 and affect what is technically known as jet tunnel structure. The squadrons deployed in southern Spain and in the Canary Archipelago make up the vanguard of Spanish air space defense until the new F-18A's under the FACA program are incorporated.

Air Force headquarters, Serra states in his reply, immediately made appropriate contacts with the French manufacturer, Avions Dassault-Breguet Aviation, so that the corrosion in the vents would be corrected. In December 1982 a team of French technicians traveled to Spain to look into measures which might prevent corrosion in the components cited.

The measures have been applied, Narcis Serra affirms, not only on the damaged aircraft but also, and as a precautionary measure, on all F-1's, whether or not they were still under warranty. In the Mirage F-1 purchase contract the fighter-bombers are guaranteed for one year or 200 hours of flight or operation as of delivery to the air force.

The Spanish Air Force received the first F-1's in March 1975 although the first units did not arrive until June of that year since a group of pilots and essential maintenance personnel underwent a program of outfitting and maintenance in France. The last Mirage F-1 of those purchased by Spain, totaling 70 units, was delivered in April of last year.

Narcis Serra states that at no time has the corrosion detected affected pilots or territory overflown by the F-1's, thus forestalling statements by the deputy from the Popular Group who connected the malfunctions with the crashes which the French aircraft have been having. One F-1 crashed in

the vicinity of Motril on 11 October, and in the crash the pilot succeeded in saving his own life by pressing the seat ejection button.

Spare parts for these aircraft have been manufactured by Construcciones Aeronauticas (CASA) within the unit joint production contract. The F-1 program to modernize the air force cost 60 billion pesetas in 1978.

The air force decided on the acquisition of the French plane over its F-16 U.S. competitor manufactured by General Dynamics so as to diversify the origin of equipment making up Spanish combat wings.

9436

CSO: 3548/164

EXPENDITURES FOR 'IBERIA' TANK, FACA MISSILES

Madrid ABC in Spanish 10 Jan 84 p 20

[Article: "Some 130 Billion for the Iberia Tank"]

[Text] The Defense Ministry plans to invest 130 billion pesetas in the construction of a new tank in Spain. Technology will have to be acquired abroad for the manufacture of the future Spanish tank, the Iberia. Germany and France have already offered Spain their two most sophisticated armored models, the Leopard 2 and the AMX-32, respectively. Defense Ministry sources have stated that the decision regarding the technology selected for the Iberia tank will be made by midyear, once the missile program has been completed at the end of this month.

Investments, midrange, in the defense industry will be 638 billion pesetas, of which 325 billion will be set aside for the Future Fighter Attack Aircraft (FACA) program. According to forecasts, this program will generate 10,000 jobs and payrolls amounting to 17 billion pesetas, until 1986.

The low-elevation missile program has been given 33 billion pesetas and 100 billion are earmarked for the industrial infrastructure, primarily the one working toward outfitting the fleet naval air group with the carrier "Principe de Asturias."

Approximately 30 billion pesetas will be set aside for antitank missiles, the least advanced program, and 18 billion for Ground Forces medium helicopters.

These investments come under the four-year plan for the armaments industry. The armed forces' share in the nation's gross domestic product expenditures has been increasing since 1970 when it was 1.74 percent and 1982 when it reached 2.04 percent.

9436

CSO: 3548/164

MEROKA AIR DEFENSE SYSTEM; MUNITIONS NATIONALIZED

Madrid ABC in Spanish 10 Jan 84 p 20

[Text] A modern system of antiaircraft and antimissile electronic weaponry of entirely Spanish technology, designated "Meroka," is being evaluated by the navy and will be mass produced in its naval version by the Bazan company and in its land forces version of Experiencias Industriales, Inc.; both companies are subordinate to the National Institute of Industry (INI) like CETME.

The Meroka cannon is a simultaneous fire multitube weapon, two versions of which have been produced, one naval and the other for ground forces. Its whole electrical, loading, reloading and firing system, etc., is CETME property. The naval version, which will be used exclusively to equip the Spanish aircraft carrier, is fitted with fire control systems contracted out to foreign firms. Development is being evaluated by the Spanish navy and is in preproduction process awaiting early approval to be mass-produced by the Bazan company to which the research company has granted rights for manufacture of a limited number of units.

Relative to the ground forces version, its manufacture will be the responsibility of Experiencias Industriales, Inc., also belonging to the INI group like CETME, Bazan and Santa Barbara.

As for modernization of materials, one innovation might be cited which calls for replacing copper and brass, scarce and expensive on the world market, with the plastic used in artillery projectiles and shell casings.

Sources close to CETME management have told ABC of its desire for the company to join forces as soon as possible with Santa Barbara, a process which may take place in the first half of this year, as this newspaper anticipated, in order to attain the economic potential and development guidelines capable of stimulating our armaments industry.

Heavy Ammunition

In the area of heavy ammunition, CETME policy, on instructions from the Defense Ministry and in agreement with the Santa Barbara national company (which manufactures and markets Spanish arms), is to nationalize those calibers most used by the armed forces, thereby avoiding dependence on

imports and promoting development of those others more in demand abroad, without forgetting the latest high-technology models.

Along these lines, the high-velocity armor-piercing projectile actuated by kinetic energy called the "dart projectile," is capable of piercing the modern armor platings of the latest tank models. This type of projectile, for antitank use, at present manufactured only by countries with the most advanced technology, consists of a tungsten nucleus and an aluminum "sabot" which drops off when the projectile leaves the muzzle.

Another significant development; through technological innovation meaning in conjunction with the standardized "USA" and through exports already made, is the 105- and 155-mm illuminating shell; its main characteristic is stabilized descent with no shadow effect on the ground. Also noteworthy are hollow-charge antitank shells for use in artillery, and the AMX-30 tank gun.

9436

CSO: 3548/164

STATUS, POPULAR SUPPORT OF CIVIL DEFENSE EFFORT

Paris LE FIGARO in French 18 Jan 84 p 2

[Article by Pierre Branche]

[Text] At least from the standpoint of security, Vernier has gained since it became Swiss in 1815, after having been French prior thereto. This little city on the outskirts of Geneva has not only not been involved in a war since then but, like all the other Swiss population centers, it has been preparing itself over the past quarter-century for the possible advent of a nuclear conflict. If tomorrow the apocalypse were to become a reality, it could hope to save 90 percent of its 28,400 inhabitants, whereas localities neighboring it in French territory would at the same time lose 90 percent of their population... as would the rest of our country.

"And to begin with," explains Andre Chillier, administrative councillor (the equivalent of an assistant to the mayor), specifically responsible for security, "from the start of an alert, all the officials would gather in this underground CP [command post] where we are now, 6 meters below the Ecole des Ranches, and which faces the municipal building. In case of necessity, all those having a function to perform with regard to protecting the local population and organizing emergency measures would take up their municipal command positions here.

This concrete bunker is a virtual, totally self-sufficient, "submarine." To enter it, we had to transit a decontamination chamber that was protected by a series of armored hatches and leakproof seals. Here, the prevailing temperature is around 20°. The ambient air pressure is slightly higher than the external pressure. This pressure differential, more so than all the other isolating precautions, protects the internal atmosphere against the risks of radioactive or chemical contamination. Clearly, the air one breathes here is passed through a series of appropriate filters. An electrical power generating unit supplies current in the event of a network power failure. Water reserves are adequate to provide self-sufficiency for 100 occupants of the premises over a period of some 20 days. The same is true of food and medical supplies.

A Trained Population

In case of an alert, everyone knows exactly what is to be done, as a result of having rehearsed it repeatedly in the course of regular drill periods. The integration of information is vital for the successful carrying out of emergency measures. The walls of the premises are covered with detailed maps. Each square meter of the municipal territory is indexed there. Messages and directives are received and relayed by various radio and telephone networks.

As intermediate echelons between this CP and the population, the five district CP's directly administer units ranging in size from 3,000 to 10,000 persons. Where, exactly, are all these inhabitants? In their public or family shelters. In this regard, Vernier is a model example; At a distance of 6 kilometers as the crow flies from Geneva, one finds a little of everything on its 766 common hectares: Workshops, factories, chemical and pharmaceutical laboratories (danger of emanation), a big fuel dump (danger of fire and explosion). This population is divided into two major groupings of 9,000 and 6,000 persons. There is also a more residential sector surrounding the old village. Of the town's 28,000 inhabitants, 3,200 are children of school age.

For the past more than 20 years, Vernier has systematically riddled its subsoil. Every time a building has been put up, its cellars have been treated as nuclear shelters. Each time a villa has been built, the same thing has been done. Each time a public building or a private office complex has been erected, the building code has required the creation, within it, of a prescribed number of sheltered emplacements. Enterprises employing more than 100 persons are each required to have their own shelters. Thus, year by year, the town has raised the level of its investment in security.

"Today," says Roland Hehlon, local head of security, "we are well within reach of our goal. We lack not more than 1,000 places. If the alarm is sounded, our inhabitants have several hours in which to empty their shelters of everything that represents an encumbrance. Next, they take down the wood paneling that, in accordance with the building code, lines the walls, and with this paneling they assemble the beds and items of small furniture they will require. They check the operation of the chemical toilets and the condition of the reserve food supplies they have been required to stock. They are not expected to have any problem with the filtering system, which has been checked regularly."

One Inhabitant, One Place

"As regards progress toward completion, Vernier is running just about average. Some municipalities are running somewhat behind, others have achieved their programs," says Marcel Gaille, director of civil defense for the canton of Geneva. "Since 1960, federal legislation has defined and refined the defense concept and, in particular, the schematic organization of life inside the

shelters. Our underlying principle is: 'One place per inhabitant.' As of now, for a population totaling 6.5 million, immigrant workers included, we have 5,275,000 places meeting the standards that have been set; added to these are 1,800,000 places without mechanical ventilation systems.

"Ninety percent of our shelters," Mr Gaille continues, "are cellars, store-rooms, supply alcoves. We do not believe very much in big parking-lot-type shelters. A parking lot, even when expensively treated, is never as dependable as medium-sized units not exceeding 50 places. Besides, units such as these can be grouped."

In addition to first-aid stations, there are virtual, totally nuclear-proof, hospitals. For example, the inhabitants of Vernier and of other neighboring municipalities will, in the event of a disaster, use the Hopital de la Tour at Neyrin. In 1974, before beginning the construction of a conventional hospital complex above ground, a complete concrete facility was "poured" underground, with a capacity of 246 beds, 24 of which are equipped for resuscitation procedures, and two operating theaters. The entire underground facility can continue operating on an absolutely self-sufficient basis even in the event of total destruction of the surface complex.

Civil defense of the population against the nuclear peril is at one and the same time a matter of will, of men and of money, says, in substance, Hans Mumenthaler, federal director of civil defense, in Bern. The laws making it compulsory to build nuclear shelters and stipulating their technical specifications were passed between 1962 and 1966. Until the end of 1980, the costs incurred (3 to 5 percent of the total construction cost) were subsidized to the extent of 50 percent by the collectivity. Since 1 January 1981, this publicly funded aid was discontinued. But the essential work has been done.

Hildebert Heinzmann, assistant federal director, says: "We estimate the annual cost of civil defense to be 50 Swiss francs (1 Swiss franc = 4 French francs) per person, or 400 million francs, the equivalent of 10 percent of the national defense budget. The collectivity spends 500 million francs annually on civil defense, 80 percent of which goes to the construction sector. When the entire program is completed, we will have spent a total of 12 billion Swiss francs to equip ourselves."

A Publicly Supported Sacrifice

One year ago, a poll revealed that 75 percent of the Swiss citizenry approved of the measures and expenditures in this sector. Modeled on the militia system that makes of each Swiss a citizen soldier, the civil defense teams enroll all those men between the ages of 20 and 50 who can be spared from service in the armed forces, and those men between the ages of 50 and 60 who have fulfilled their military obligations. Thus, 500,000 persons, in addition to undergoing an initial 5-day training period, dedicate 2 days per year to drills and further training. Added to these are 10,000 women volunteers, a number that is growing.

In this country, which believes in the necessity of family and social structures as well as in the need to respect individual freedoms, civil defense cannot be imposed. It must be agreed. Which means that every new decision is submitted to lengthy and democratic debate.

"The worthwhileness of this defense is being questioned in newspaper commentaries and in some letters to the editors," Mr Heinzmann confirms. "In particular, the objection is raised that the destructive power of nuclear weapons and the intensity of their radiation are such that the protection provided by concrete shelters is but an illusion. One cannot and must not completely close one's eyes to the apocalyptic image of a total destruction of the planet. However, that has never been the objective of a war. There is a difference between a total war and a war waged to dominate a country or countries, a region or regions. Clearly, a country in possession of Switzerland would be able to wield a significant strategic asset. And only a Switzerland as intact as possible would be worth the taking by an aggressor. It would therefore be senseless to attack it with heavy-caliber nuclear weapons that would cause extensive destruction."

"Moreover," he adds, "even in the event of a nuclear heavy-weapons attack, survival is possible if one has taken appropriate defensive steps. In August 1945, Hiroshima and Nagasaki were totally destroyed. It was an inferno; and yet, let us not forget this: At Nagasaki, some persons survived at a distance of only 100 meters from the point of explosion, simply because they happened to be sheltered in mere mud-covered huts. In the part of the city that was protected by a hill, the houses remained intact and their inhabitants survived."

9238

CSO: 3619/24

ANDORRA PRESIDENT ON PROSPECTS FOR ECONOMIC DEVELOPMENT

Barcelona AVUI in Catalan 8 Jan 84 pp 11-12

[Interview by J. Perramon]

[Text] "The Andorran economy is dependent on that of the neighboring countries. This means that if Spain and France succeed in overcoming their economic crises, we will evidently do so too. And if the crisis among our neighbors becomes more acute, the same will happen to us because basically the Andorran economy does not move independently of the French and Spanish economies," says Oscar Ribas, who in January 1982 assumed the presidency of the first government of Andorra as a result of the political reform decree dictated a year earlier by the co-princes: the bishops of the See of Urgell and the president of the French Republic."

The interview revolves about the situation and evolution of Andorra's economy as well as the efforts this first government is making to remedy the growing crisis in public finances.

If Spain and France Weather the Crisis, Andorra Will Do So Too

Oscar Ribas, head of the Andorran Government, speaks of his country's economy.

[Question] In what period can the economic development of Andorra be placed?

[Answer] Initially the growth of Andorra could be placed in the decade of the 1950's. It began to grow very timidly shortly after the end of the Second World War. Nevertheless the start of big growth may be placed around the 1960's. I remember that until the year 1965 there were practically no visitors. Andorra still was a mountain country, extraordinarily closed in, and the neighbors from the See visited us sporadically with enough tasks.

That is, I have been able to observe the economic transformation of Andorra, which may be placed approximately a couple of decades ago.

[Question] During this period, how did the population evolve?

[Answer] The population evolved in relation to the evolution of the economy.

In the years from 1947 to 1950 the general highway was not asphalted and the Andorran population remained about 7,000 inhabitants, and today the population is nearly 40,000 inhabitants. In the period of 20 years, then, the population has increased almost sixfold.

[Question] How is the Andorran economy structured?

[Answer] I believe that this is one of the main problems, because structurally the Andorran economy is based on a mono-economy. We could say that the whole economic activity is practically based on commerce and on the hotel sector. There is also some small industry, but I think that in a study or in an overall view of the economy, it would be a sector that has not undergone much development.

Of course the Andorran economy must diversify. The mono-economy is highly negative and dangerous, because collapse of one economic sector leads to the total economic collapse of a country.

"The Andorran Economy Could Diversify in Tourism and Industry"

[Question] In which sectors could it diversify?

[Answer] One may be tourism, with the installation of several ski stations, a possibility which is being looked into, and with the possibility of mountain tourism in winter and of thermal tourism in summer, which is also important. And the installation of a casino would also favor the tourist trade.

Later on there is another sector which likewise could be diversified and this is the industrial sector. With this in mind, it is thought that it would be possible to favor establishing some very specific industry, with a product having high added value, which will absorb little volume in raw materials, since they must be imported to Andorra, and which will not produce pollution. For instance, the electronics industry, data processing or the pharmaceutical industry might be suitable.

[Question] How much impact does the economic crisis in neighboring countries have on Andorra's economy?

[Answer] Evidently, we are dependent on the neighboring countries and because of our small size we depend a lot on how the Spanish and French economies develop. With this in mind, I would say that it is fairly clear that the economic crisis that the neighboring countries are going through has had an impact on our country.

In any case, it needs to be said, and this I wish to emphasize, that the crisis in Andorra has been less serious than we expected and less accentuated than in

the neighboring countries. That is, I believe that the crisis is less acute in Andorra than in France or Spain.

[Question] Compared with that of other small European countries, what tax rates does it have?

[Answer] Andorra has a tax rate of 8 percent but I am unfamiliar with current tax rates in Monaco, Lichtenstein and San Marino, small countries which may be compared, more or less, with Andorra.

As for budgets, I can tell you that those of Liechtenstein and San Marino have figures seven times those of Andorra's, with the important consideration, I believe, that those two small states have a population approximately half that of Andorra and a territory much smaller than Andorra's.

[Question] Is Andorra a tax shelter?

[Answer] I believe that the theoretical definition of tax shelter cannot be applied to the legal plans of Andorra because it does not give enough legal security or tax breaks to foreign investors.

If we make a comparison with other small European countries, like for instance those mentioned previously, Monaco or Liechtenstein, it would be observed that they welcome companies giving them total legal security and tax breaks that Andorra does not give.

In this case, I would define Andorra as a tax shelter for Andorrans and residents. Nevertheless, there may be or there are tax breaks for foreigners to purchase apartments or summer houses, but this does not make Andorra a tax shelter.

[Question] How are direct foreign investments regulated?

[Answer] Direct foreign investments are very restricted by law. Until now a company can only be constituted if two-thirds of the capital is Andorran and this curbs foreign capital that wishes to invest in Andorra.

Looking to the future, I believe that it would be good to give more flexibility to direct foreign investment and, with this in mind, to make it easier for foreign capital to be invested, especially in some more or less determined and selective sectors, like tourism, sports or equipment.

[Question] How much tax cheating is thought to exist?

[Answer] We do not have concrete data on tax cheating. What I mean is, an estimate cannot be made on bases that can be called real and objective, but only based on those furnished by French and Spanish customs. With reference to these data, it may be calculated that the tax cheating on imports is about 10 percent.

[Question] Is it true that the EEC is negotiating accords with the countries neighboring Andorra to prevent smuggling of goods?

[Answer] This is a news item that has been spread lately, and it worries us. We are taking the steps needed to clear up what issues could have been raised in these alleged negotiations between Spain, France and the EEC.

According to what we have heard, the problem of smuggling is not what might worry the EEC, but rather having it happen to another country which may be located in the middle. That is, what the EEC seeks is that goods entering Andorra with a lowering of duties or taxes and going to a third country should not be able to be legally imported again into the EEC. I do not think it is worried about contraband because Andorra is a small territory and therefore easy to control.

[Question] What effects would Spain's entry in the EEC have on Andorra?

[Answer] This is an issue that we ourselves wonder about and in order to be able to analyze its advantages and disadvantages, we have asked for a study. Suddenly it is hard to determine what effect the entry of Spain in the EEC may have, but I think that even if Andorra should remain outside the EEC, Spain's entry would have an economic effect on us, but it would not be serious.

[Question] Turning to internal aspects of the economy of Andorra, what revenues and resources does it have?

[Answer] The 1983 budget will surely reach 3.8 billion pesetas.

As for available resources, over 90 percent come from the taxes on imported goods and hydrocarbons. Usually the tax paid is three percent value-added on the price of goods, with some exceptions, such as whisky and tobacco, on which taxes are higher.

The remaining 10 percent of funds are raised from the traditional totally unrelated taxes [irrellevants], from administrative taxes, authorizations, statutes and decrees and grants or concessions.

[Question] How have public finances evolved?

[Answer] Public finances have followed a pace of increasing indebtedness, a problem moreover faced, I assume, by all countries immersed in the international economic crisis on account of inflation.

Expenditures, especially ordinary expenditures, which are those that count at the time the budget is written, have grown because of inflation faster than revenues, and this is why they generate increasing deficits.

Moreover, the international economic crisis, although it began in the valleys of Andorra late, started to be felt in the last years of the 1970's. The same public sector which was sufficient for many years began to generate increasing

deficits, so that by 1981, when the current government was named, the public deficit was over 1.3 billion pesetas, an amount that was increased by the catastrophic conditions produced by the downpours of 1982.

This means that the situation is not serious but indeed worrisome and that, if the present standstill of the public sector keeps up, it could be serious 3 or 4 years from now. This is why I believe that it is absolutely necessary to empower the public sector.

"A Balanced Budget Must Come by Means of Indirect Taxation"

[Question] How has your government thought to solve the growing crisis in public finances?

[Answer] One of the main objectives of the first government was necessarily to remedy the growing crisis in public finances. In our case, this crisis could not be solved within a traditional framework on account of the small impact on the public sector on Andorran society, and the lack of economic policy instruments used successively, like monetary policy, exchange or exchange-rate policy; as well as the appearance of the first symptoms of the crisis, like the standstill in foreign trade and in the opening of commercial establishments.

Notwithstanding, during the tenure of the current government the growth of expenditures in real terms has been curbed, but the possibility of having an impact on this factor is minimum in the short term.

Overcoming the deficit situation in public finances must be accomplished by increasing revenues.

Nevertheless, there is no need to foresee significant evasion increases in the collection of import taxes, almost exclusively the source of funds resulting in increases in the volume of trade, since this has been stabilized and moreover the government considers that these taxes have reached their technical ceiling. This means that their increase could be transformed into reductions in the volume of trade that, due to the static nature of demand, besides harming public activity, could have negative repercussions on the total volume of collections.

In this situation, the government has estimated that the increase in revenues must unquestionably come from the creation of new tax sources that at the same time may not be imposed, so as not to remove incentives from the private sector.

With this in mind, the creation of certain indirect taxes was approved and submitted to the General Council this past August, hoping in this way to alleviate and lessen the growing deficit in public finances.

In practice, the new taxes are indirect taxes on the activity of financial and insurance institutions, on the capital of mercantile companies, of inn-keeping and hotel occupation and on real estate and mercantile income.

[Question] In what direction are public investments headed?

[Answer] The philosophy is that they must respond to a coherent government plan which is centered on the detailed program in the proposed budget laws.

Specifically, they have been centered on the damages occasioned by the heavy rains and on various basic infrastructure works. Moreover, the building of schools is what involves the largest share of investments.

[Question] Is there any worry regarding immigration?

[Answer] I would say that today nobody is worrying. Andorra is a very small and limited mountainous territory, with a population capacity which can be situated at any figure you wish, 100,000 or 200,000 inhabitants, but I think that it has a limit which it cannot exceed without incurring the danger that Andorra will lose its attractiveness and that it will be hard to live there.

We now have about 40,000 inhabitants and I believe that the time has come to begin to take steps toward restricting or regulating immigration a little. Besides, there are the jobs of the population, both domestic and foreign, which with a view to the future, need to be preserved.

12448

CSO: 3548/163

TURKISH MARKET OPENING UP TO FOREIGN BANKS

Istanbul DUNYA in Turkish 29 Dec 83 p 1

[Article by Yener Kaya: "Foreign Banks Hoping to Enter Turkish Market Multiply"]

[Text] A marked increase can be seen in the number of foreign banks that wish to operate in Turkey. It has been learned that several U.S. banks want to participate in the banking system through the establishment of relations with existing national banks.

It has also been made known that Bankers Trust, Manufacturers Hanover Trust, Irving Trust and Chemical Bank have carried out preliminary study for the purpose of opening branch bank offices or of establishing relations with a national bank.

The decree proposed by the Ozal government, which provides a tax-exempt status for revenue generated by the sale of bank shares provided this revenue is used for capitalization, is significant from the point of view of speeding up efforts by foreign banks to establish relations with existing national banks. Noting that the philosophy of the Ozal government is based on the concepts of export promotion and import liberalization, one official stated that continuation of efforts to grant a tax-exempt status for foreign capital investments in the financial sector, as well as in the industrial sector, would pave the way for the growth of foreign banks in the Turkish financial sector.

Three Banks Prepare Feasibility Study

During the recent step up in the drafting of laws directed towards the setting forth of the government program and, in particular, the elimination of weaknesses in the financial structure, it has been learned that the financial institutions of Bankers Trust and Manufacturers Hanover Trust have prepared reports on the feasibility of opening branch offices in Turkey. Similarly, another U.S.-based bank, Irving Trust, has readied a report on the feasibility of establishing a representative in Turkey.

Chemical Bank to be Correspondent

In addition, it was revealed that the U.S.-based Chemical Bank had also accelerated its ongoing efforts to establish correspondent relations with a national bank. This would indicate that, whether in regard to the opening of a branch office or the creation of an agreement for correspondent relations with a national bank in Turkey, such recent initiatives by foreign banks have been influenced by the expected enactment of laws and decrees that relate to encouraging foreign capital and to its exemption from various taxes. This suggests that efforts by the Ozal government--even before receiving a vote of confidence from the Turkish Grand National Assembly--to effect certain changes in the financial system as a whole and the banking sector in particular, are aimed at laying the groundwork whereby foreign capital will be used to establish independent or correspondent institutions not only in the industrial field but within the Turkish financial system as well.

Banks Hoping to Set Up Branches or Relations All Specialized

Calling attention to the fact that most of the banks wishing to open a representative or a branch office or to enter into correspondent relations with a national bank are, at the same time, reputed specialists in their own areas, one authority commented that, "It's a rather interesting development that, in response to the announcement that convertible currency transactions are to begin and that the import liberalization list is to expand further in the near future, foreign institutions are going to open branches and establish correspondent relations in Turkey." Concerning the entry into Turkey of foreign financial institutions and pointing to the fact that the government had taken a series of decisions that favor foreign capital, another authority said that, "I believe that when the government adds to the number of its new decisions pertaining to foreign capital, such as the one for tax exemption, for example, I am of the opinion that European and Arab banks will follow the lead of U.S. banks in undertaking similar initiatives."

12575

CSO: 3554/116

ECONOMIC FUNCTIONS OF OZAL 'INNER CABINET'

Istanbul DUNYA in Turkish 15 Dec 83 pp 1, 7

[Text] The 45th government of the Turkish Republic, which came to power yesterday with Turgut Ozal at its head, is composed of 22 members who have each worked at various levels of the public and private sectors. In appointing his cabinet, whose members have an average age of 50, Prime Minister Ozal acted as he had stressed from the beginning and took pains to form a "cabinet from individuals who had worked on both sides of the table."

Thus in the new cabinet of 22 ministers there are only four who have spent their entire professional careers in the public sector. Apart from Foreign Minister Vahit Halefoglu, Minister of Communications Veysel Atasoy, Minister of Culture and Tourism Mukerrem Tascioglu, and Minister of State Abdullah Tenekeci, 18 members, including Prime Minister Turgut Ozal, have held various positions in the public and private sectors.

One of the main features of the new cabinet, which will put its mark on events in the 5-year period Turkey faces, is a reflection of a "change in the concept of government." Prime Minister Turgut Ozal plans to carry out the mission he has continually emphasized both in the government program and in various announcements, through an "inner cabinet" which he has formed within the cabinet. The "inner cabinet" has emerged in Turkey's political administration for the first time "as an institutional body with definite goals." The "inner cabinet," which consists of Deputy Prime Minister Kaya Erdem and Ministers of State Kazim Oksay, Mesut Yilmaz, Sudi Nese Turel, Abdullah Tenekeci, and Ahmet Alptemocin, represents the concrete manifestation of the Ozal government's concept of "policy action for economic development"--action like the "comprehensive and harmonious" implementation of macroeconomic decisions, as well as treasury matters, monetary policy, incentive policies, a program to reform the bureaucracy, and the creation and initiation of measures concerning areas whose development is a priority, especially in eastern and southeastern Anatolia. The "inner cabinet" is also undertaking the "basic guidance and coordination" of the functions of other governmental units regarding the economy, finance, and trade.

The fact that Prime Minister Turgut Ozal chose his ministers by taking into account concrete developments in the economic field brings to light another

feature of his cabinet. The appointment of Husnu Dogan, the former chief of the Foreign Capital Bureau of the State Planning Organization, to the Ministry of Agriculture and Forestry and that of Village Affairs (there had been speculation he would be named) is closely connected with a policy of foreign capital ventures in the agricultural sector. Such a policy was developed in this field during the Uluksu government and included the important contributions of Husnu Dogan. The government plans to continue and consummate under Husnu Dogan's direction the cooperation which has been striven for between the U.S. Overseas Private Investments Corporation and the private sector regarding agriculturally-based industrial investments and joint industrial ventures stemming from agriculture.

It is expected that Minister of State Abdullah Tenekeci will be in charge of "the reform of the bureaucracy," in a full cabinet within which Kaya Erdem serves as key man of an "Inner Cabinet" that will direct economic and financial operations.

The government program which Prime Minister Turgut Ozal is expected to read in the Grand National Assembly encompasses to a great degree economic and financial operations. While the program ties the struggle with inflation to concrete measures in keeping with Turgut Ozal's approach, it calls for implementing a "program of economic revitalization." In this context, readjustments will be made in the economy's legal foundation. The "package," consisting of elements the preparations for a part of which have essentially been completed, includes changing Protection of Turkish Monetary Value regulations towards easing restrictions on foreign trade, minimizing curbs on foreign exchange, reviewing the tariff system by sector and commodity, and freeing imports. For this purpose, the legal basis of the package will be secured through necessary and implicitly "liberal" changes in incentive regulations and in the laws governing trade, the central bank, banks, loans, money markets, and taxes. While the government program calling for a reform of the bureaucracy along the lines of the basic principal of "economic liberalization" is appointing a minister of state to this task, it aims at "simplifying and widening" both the decision-making operations of the cabinet and the duties and powers of the bureaucratic managerial levels.

The Ozal government, which will continue incentives for industry in new ways, will also try to institute "private incentive systems" for areas whose development is a priority. Pains will be taken to develop--particularly eastern and southeastern Anatolia--through "cheap, long-term credit, state subsidy of part of investment costs, and tax exemptions in the start-up stage.

As for exports, one of the basic instruments of economic policy, the program emphasizes measures which increase domestic and foreign sources of financing and facilitate exports. While the technical arrangements of these measures are left to the Incentive and Practices Board in the program, it is being promised that export organization, quality, packing, distribution, marketing, and other responsibilities will be pegged to a system which "will not change again" in the mid-term.

12556

CSO: 3554/99

BUSINESS GIVES MIXED REACTION TO OZAL POLICIES

Large Exporters Pleased, Small Exporters Worried

Istanbul CUMHURIYET in Turkish 30 Dec 83 p 7

[Text] The Ozal government's recent decisions on the protection of Turkish currency, foreign sales, and foreign purchases are being interpreted in various manners in various circles. Whereas the section of the decisions related to foreign sales has been greeted positively by large exporters, it is the target of negative reactions from small and moderate-sized exporters.

TISK [Turkish Confederation of Employer Unions] Chairman Halit Narin stated, "We are following, with pleasure, the decisions, which we believe will be implemented quickly and will be constructive for the economy. To the extent the Turkish currency protection law was valuable when it was instituted, these decisions will become valuable when the law is lifted. They are good decisions insofar as they do not forget to annul the law, and it falls upon the Ozal government to do so. It is not necessary to state, one by one, the good points of these decisions, whose general framework we have learned and whose basic details we have not inspected. We will look at them from the standpoint of their deficiencies:

"1. We will be able to export and import calling this a battle with monopolies in liberal economies. Ozal, too, endorses this view. We wonder if the concept of channeling over \$50 million in export incentives to exporting firms doesn't contradict this view. Does the Turkish economy fit in with exportation channeled to 10 or 20 firms? And, has the extent of the harm the economy will suffer if this system does not produce results been considered? No matter how positive it is for banks, exporters and investors to be able to open up accounts abroad and find foreign exchange, giving priority to large exporters is an inappropriate decision that will put the brakes on open competition. As a result of various flaws in bureaucracy's wheels in 1983, sufficient foreign exchange could not be secured. Consequently, 1984 will be a year with even less foreign exchange. We hope for and expect investments to be initiated this year. The magical key in this area goes beyond creating foreign exchange. While it is necessary to bring \$8 billion to \$9 billion in foreign exchange into the country in order to enliven investments and to eliminate a dual rate of exchange in 1984, it appears to us to be misdirected to leave such a critical element to a handful of firms.

"2. The second serious problem of 1984 will be the effects of high interest rates on credit. The inability to find a system that reduces credit interest rates will leave industrialists in a very difficult position. The initiative of new enterprises will be destroyed."

ENKA Holding Company Administrative Council Chairman Sarik Tara stated, "Thanks to the new exportation system, the enthusiasm of exporters in 1980 to sell goods abroad will return in 1984. Exportation in 1984 will increase by 25 percent and will reach \$8 billion. It is not necessary to ask what we will sell. Goods to sell will be found now just as they were in 1980, when exportation's fortunes first began to wax. In this way, production in our country will increase and increases in the capacities of our industries, which are operating at an average of 50 percent of capacity today, will be insured. We, as ENKA, have raised our export target of \$360 million to \$500 million following the recent decisions. As a result of recognition of the possibility for exporters to obtain credit directly from foreign banks under the new export system, foreign credit coming into our country will increase rapidly. In the meantime, providing firms the opportunity to import in trade with Eastern bloc nations will open up new horizons, new markets."

RAM Foreign Trade Deputy Director General Ziya Uluer said, "The new export system was one we, as exporting investment corporations, expected and desired. With these decisions, we, who, to date, were an export corporation that could only sell goods abroad, will be able to become a true trading firm, now able to import goods and sell them on the domestic market. This is because the new system increases to a significant degree the amount of foreign exchange obtained through importation that can be left abroad. In this way, if I believe, for example, that I will be able to sell French cognac in Turkey, I will be able to import it with that money and sell it in Turkey. These decisions will bring with them competency in exportation, will drive corporations to work for profits, and, consequently, will speed up an increase in exportation throughout Turkey. As for the possibility of obtaining credit directly from foreign banks at the level of the firm (to date, this could only be done through Turkish banks, and we paid a fee to our banks), the cost to the exporter for foreign currency will be reduced, and it will be possible to compete with foreign rivals on world markets at world prices. The new decisions are very positive. However, we will all see, 6 months to a year from now, that they are insufficient and will feel a need for new incentives."

Turkish Union of Fresh Fruit and Vegetable Exporters Chairman Yasar Unal reported, "The increase from \$30 million to \$50 million on the limit for application of the supplementary tax in exportation will create export monopolies. Yet, the new government insists in its program that it is against monopolies. It is not possible for us, as an exporter of agricultural products, to approve these decisions. This system was also applied last year, and it was seen that an increase in exportation was not facilitated. Moreover, although the monetary value of exports did not rise, the volume of exportation did. In other words, our goods were sold at lower prices, not higher prices, on world markets. In the meantime, owners of specialized firms and exporters who had gained experience were eliminated from this market and left out in the cold in the face of competition from the large exporting firms. In our opinion, equal conditions are not accorded exporters. The opposite is true of the economic system that

that is being applied. I do, however, endorse the support of long-distance transport and the creation of the possibility for exporters to find their own foreign credit. Again, I do not believe that the aimed-for increase in exportation will materialize."

Deregulation of Foreign Purchases

Istanbul CUMHURİYET in Turkish 30 Dec 83 p 7

[Text] Companies have responded with varying reactions and views to the new foreign purchases system that proposes to deregulate importation of various goods in stages.

Whereas producers state that importation of margarine will not affect the domestic industry, manufacturers of electrical home appliances claim that they will be unable to compete.

Secretary General Arda Ulgur of the Profilo Holding Company, which produces refrigerators, washing machines, and television sets, reported that demand for consumer goods directed to the domestic market has fallen off sharply since 24 January 1980. He said, "We closed our Mecidiyekoy factory. During the past 10 months, our Cerkezkoy factory has been operating, on the average, at 33 percent of capacity. Arcelik, our competitor, was also forced to shut down a factory for 2 months." He continued:

"Our expenses for KIT [Public Economic Enterprises] products such as sheet iron and aluminum are twice as high as those of industries in the West. In addition to this, our side industries, which were encouraged by the importation-substitute policy, were established to operate at low capacity and place a significant burden on us in regard to both price and quality because they, too, use KIT products. There are also financing costs. Whereas firms in the West operate with interest rates of 10-15 percent, ours is 80 percent.

"Because of our high costs for materials and financing--in other words, because we cannot compete on equal terms with the West--we cannot compete with imported finished goods. We, in fact, support competition. Our accumulated knowledge and experience permit this, but with the stipulation that equal opportunity also be insured us."

Importation of Margarine

Speaking on the decision to deregulate the foreign purchase of margarine by applying a \$200-per-ton fund, Atilla Midillili, assistant director general of Unilever, producer of "Sana" and "Rama" margarine, termed the decision beneficial and positive with respect to economic rules. Midillili reported that domestic margarine producers will not be affected to a great degree by the decision. He continued:

"Because we import raw fat, our basic expenses are bound to world prices. For this reason, I do not believe that there will be much difference between our price and the price of margarine brought in from abroad. Of course, this

depends upon the brand of margarine that is imported and on whether or not that firm operates at full capacity. There are also consumer habits to consider. Trials in importing margarine in past years demonstrated that consumers do not abandon use of the margarine to which they have long been accustomed. The importation of margarine will, perhaps, be able to have an effect on the balance between supply and demand in the future and, consequently, on future price fluctuations."

Inexpensive Detergent

Director General Sevki Figen of Izmir-based Turyag, which produces "Yayla" margarine and "Tursil" detergent, announced his views on the latest decision:

"The cost of detergent in Turkey is known. The sales price is also contingent upon the purchasing power of citizens. Through importation, less expensive detergent will be able to be brought in. If the price is lower, importation can be carried out. It is also necessary to insure that those who manufacture detergent can import raw materials with the same ease, because detergent factories are operating far below capacity. The use of detergent has fallen off in Turkey, and citizens are leaning toward the use of soaps. There is about a 150,000-ton shortage of fat in Turkey. It is already necessary to import crude fat each year. Prices abroad have risen astronomically. For this reason, it is not possible to bring in crude fat inexpensively. Prices are also high in Turkey. I am not of the opinion that crude fat will be imported more cheaply. If prepared margarine comes into the country, this, too will be objectionable."

Tacettin Hicyilmaz, owner of the Gir-Gir Company, which produces electrical appliances for the home, said, "I have wanted Turkey's doors to be opened to the outside for a long time. Working with the doors closed does not make it possible to produce quality goods. There is, however, the fact that, in order to compete with Europe, raw materials of the same quality must be able to be obtained at the same price as paid abroad. If this is not so, if raw materials are both of inferior quality and expensive, it is not possible for me to compete."

Foreign Purchases of Matches

Orhan Yetkiner, general director of Kav Forest Products Industry, spoke on the topic of importation of matches not being subsidized, saying:

"I do not believe that importers will be able to compete with our prices on the domestic market. We will not lose a very important market from the standpoint of goods we produce."

11673

CSO: 3554/114

NEW ROUND OF PRICE HIKE IN OFFING

Istanbul CUMHURİYET in Turkish 30 Dec 83 p 7

[Text] Finance and Customs Minister Vural Arıkan revealed the increases made in the prices of monopoly products and stated that the price of liquor and cigarettes would not be increased again in 1984.

After disclosing the price hikes at the press conference scheduled yesterday morning, the Finance and Customs minister stated that no increases had been made in the price of tea or imported whiskey or of table salt, plain and iodized cooking salt and uncrushed salt.

With the price hikes effected just before New Year's, 70-milliliter bottles of Yeni Raki rose to 1,000 Turkish lira and, with the exception of Bafra at 80, regular-size filtered cigarettes are now 100 Turkish lira. The percentage of increase in prices ranged from 33 to 41 percent for raki, vodka and gin and from 33 to 50 percent for filtered and unfiltered cigarettes. Birinci brand cigarettes are now up to the 50-Turkish lira price of Maltepe 2 years ago. Increases in the price of wine vary from 11 to 29 percent.

Due to the price hikes, which the public has termed "a New Year's present," a double shot of Yeni Raki drunk at home now costs 125 Turkish lira. Regular-size filtered cigarettes increased to 5 Turkish lira apiece. The monthly tab for someone who customarily chases away the exhaustion of the day with a double shot of raki at dinner now totals 4,000 Turkish lira, an additional 1,000 per month. And for those who smoke a pack of Samsun or Maltepe per day a hefty 900 Turkish lira has been added to the budget. It now costs the smoker who daily offers three of his friends one of his 5-Turkish lira filtered cigarettes 450 Turkish lira a month, nearly equal to the price of half a kilogram of meat.

Finance and Customs Minister Vural Arıkan, indicating that the public was aware of the imminent price hikes because of the freeze in the sale of SPO products, said, "Traditionally, price increases in SPO items are made once a year. No other price hikes will be made in 1984."

Following the announcement by Prime Minister Turgut Ozal the preceding day that other than for SPO products no prices would be increased before the New Year, Finance and Customs Minister Vural Arıkan stated yesterday that, "Price increases on other kinds of goods could come within the week."

Replying to reporters' questions, Arikan remarked that when the price increase proposal was put before the Council of Ministers, Prime Minister Turgut Ozal had commented that, "It seems you've made too small an increase in the price of raki. There must be some raki drinkers among us." Arikan revealed that of the total projected 1984 revenue from SPO sales of 483.44 billion Turkish lira, 205.78 billion has been allocated for production tax and 1.598 billion for the earthquake fund. The Finance and Customs minister announced that, of the 143 billion earned from 1983 sales, 30 billion would be transferred by legal arrangement to the housing fund.

Arikan also stated that studies were continuing in regard to the importation of foreign cigarettes.

12575

CSO: 3554/116

TAX EXEMPTION FAILS TO YIELD EXPECTED RESULTS

Istanbul CUMHURIYET in Turkish 15 Dec 83 pp 1, 11

[Text] It has been reported that the Finance Ministry has received less revenue from tax exclusion 2801, which came out in 1983, than the program called for.

While an increase in declarations worth 600 billion lira was expected from the tax exclusion, which was put in effect by law 2801 long before the change of government, ministry officials reported that, to date, only 250 billion of this had been realized, and said that "of this 250 billion lira realized in all the provinces, only 60 billion could be collected."

Finance Ministry officials said that in spite of "strict monitoring" of the increase in declarations by auditors in all provinces, only 7.5 billion lira were collected from income tax payers. "We found that the implementation of the tax exclusion hardly reached 25 percent in some provinces," they said. "We determined that this rate fell even lower in Antalya."

The financiers reported that Istanbul was first among provinces where implementation of law 2801 was weakest, and they stressed that Zonguldak was a province which had implemented it successfully. Mersin, Agri, Aydin, and Izmir are among other provinces which implemented it successfully. They also reported that the activities of auditors in the last 15 days in Istanbul had not been of much use.

They stated that, in general, even in the most successful provinces the rate of implementation had not exceeded 50 percent.

In this connection, in the end the ministry wanted to send a circular to all provinces calling for "intensive and extensive" tax auditing, and wished to put accounting experts, revenue controllers, financial investigators, and provincial financial directorate officials into action. But reportedly certain irregularities came about in this effort, too, and in spite of the circular the provincial financial directorate officials stayed "behind" in enforcement.

However, Ankara's financial director, Huseyin Balyali, started an audit day before yesterday in compliance with the intensive and extensive audit circular.

All auditing elements began auditing places subject to operating taxes--doctors and hospitals, hotels, motels, and restaurants, and large businesses. Reportedly this audit will continue until the end of the month.

According to the first statements about "general tax revenues," the Finance Ministry has further determined that there was a 25 percent increase in tax revenues over last year. Ministry officials explained that they could not provide figures yet on this, but that it had turned out that there was a 25 percent increase over last year.

12556

CSO: 3554/99

MINISTER ON POWER STATISTICS, ELECTRICITY EXPORTS, TERRORISM

Oslo AFTENPOSTEN in Norwegian 2 Jan 84 p 14

[Text] Norwegian electricity production has experienced a record year in 1983. Electricity production has set a record with 106.2 billion kilowatt hours (TWh), and at the turn of the year the reservoirs were better filled than at any other time. It is Director Rolf Wiedswang of Joint Operations in Norway who says this in a new year's interview with the Norwegian Press Service. He adds that the consumption of and export of electricity has also set records. Wiedswang says that had a single cable been laid for the sale of electricity to Denmark through Skagerrak, the costs would have been met by such an export year as 1983.

"The production of electricity in Norway increased by 14 percent in 1983. The useable water flow was 117 percent of normal, but water, equivalent to 5.8 billion kilowatt hours, had to be allowed to pass by the power plants because there were no customers for the electric power in the area and the transmission lines from the area were fully loaded," Wiedswang says.

Consumption figures show that general consumption increased by 2.6 percent. But if the fact that the winter was unusually mild is taken into consideration, the temperature-corrected increase is 3.7 percent. The power-intensive industries set a new record in 1983. Consumption increased by almost 11 percent over the previous year, with the increase growing in the course of the year. Consequently, we expect a further increase in consumption in 1984, Wiedsang informs us. He is also able to give figures which show that the campaign of the electricity suppliers for increased use of electro-boilers to replace oil with electricity has borne fruit. Large electro-boilers took 3.4 billion kilowatt hours, and that is an increase of 50 percent. The prices on exports to Sweden have been especially low this year, and this is due to the fact that Sweden has also had a good water flow to its hydro-electric plants and Swedish nuclear power plants have had good operating results. The price on spot power is determined in accordance with the so-called middle principle, that is to say, the average of the increased costs to the one country for delivering and the savings to the other for accepting the power.

"In such a water-rich year the costs of delivering surplus power is very little for Norway, while Sweden saves little by curtailing its nuclear power

plants. The prices must be very low for the Swedes to be willing to purchase excess Norwegian power. It is under such a situation that we have delivered power to Sweden for less than two ore per kWh." Wiedswang at the same time rejects the figures which show that Sweden earns money by exporting power to Denmark at the same time as it imports power from Norway. "We have obtained a higher average price for our export to Denmark than Sweden obtained," he maintains.

"If it had not been for the deliveries to Sweden, we would have had to let that water by-pass the power stations. Interconnections have been in the limelight for other reasons than the record high power production this year. Just at the end of the year, the first threats from a possible terrorist group appeared, and during the period 27-31 December we saw how vulnerable modern power transmission networks are when Sweden was without electricity."

Terrorist threats and power plant failures do not come as surprises to the people who are responsible for supplying power. These are possibilities they have known about and sought to avoid for years.

"The modern interconnection network provides for a high degree of security regarding the supply, but it is at the same time vulnerable. We can protect ourselves against power failure but it costs money. It is a question of weighing how much we are willing to pay for the increased safety," the joint operations' chief says. He believes that Sweden is considerably more vulnerable to the supply network failure than is Norway.

"We can assure the supply by strengthening the network and several alternative routes. If we, for example, are to have four lines to a town where three are adequate, it will cost money, and it is not always easy to build the lines," Wiedswang points out.

He can, however, assure Norwegian electricity subscribers that very likely we will not have to experience a blackout like the one Sweden had 27-31 December. In Sweden the greater part of power production is in the north while most of the consumption is in the south. About 40 percent of the power is produced by nuclear power plants which take time to get going again after a stop in production.

6893

CSO: 3639/53

DRILLING ACTIVITY IN NORTH SEA DECLINED IN 1983

Oslo ARBEIDERBLADET in Norwegian 10 Jan 84 p 7

[Article by Asgaut Naess, Labor Party Press: "Declining Drilling Activity in North Sea"]

[Text] Stavanger. Drilling activity on the Norwegian continental shelf declined by 11.3 percent in 1983 as compared with the year before. Figures which ROGALANDS AVIS obtained at the Oil Directorate show that the number of drilling days last year was 3897 versus 4380 in 1982. Forty new boreholes were begun last year versus 49 in 1982.

The 40 holes were drilled by seven operator companies, of which three Norwegian companies drilled 33 holes. Thirty-three of the 40 holes were exploratory holes, while seven were so-called demarcation holes. Twenty-five of the 33 exploratory holes which were begun last year were finished during the year. Two of these were abandoned because of technical problems. Of the 23 remaining, hydrocarbons were found in 10 holes. This gives a find percentage of 43.5.

Statoil Most

The Norwegian companies drilled 33 of the 40 boreholes begun in 1983, or 82.5 percent. Statoil drilled most of these, i.e., a total of 14 holes. In addition, Norsk Hydro drilled 13 of the holes begun, and Saga six holes. The foreign operator companies were divided as follows: Shell--3, Elf--2, Conoco--1 and Philips 1 hole.

At the turn of the year 10 drilling vessels were active on the Norwegian continental shelf. The corresponding figure for the turn of the year last year was 12 drilling vessels. The activity was distributed relatively evenly over all months of the year, with 11 drilling vessels active each month. The biggest activity was in March, when 12 drilling vessels were active at the same time on the shelf. In all of 1983, 16 drilling vessels drilled on the Norwegian continental shelf.

Thirteen Boreholes in North

If we take into account the 12 wells which were begun at the turn of the year last year, a total of 52 wells were drilled on the Norwegian shelf in 1983. The heaviest activity was in the Troll field, where eight wells were drilled all together. Of the 40 wells which were begun in 1983, 13 were drilled north of Stad. These are divided into six holes on the Tromsø Ice Floe, five on Traenabanken [Traena Bank] and two on Haltenbanken [Halten Bank]. At the turn of the year a total of 401 drilling permits had been issued and 400 of the holes had been begun. At the same time a total of 257 production wells had been drilled. Twenty-two of these were begun in 1983, the same as the year before.

Since the exploration activity began in 1966, at the turn of the year 293 exploratory holes and a total of 107 demarcation holes had been begun. Three hundred and seventy of these had been completed as of 31 December 1983. In these holes 1,267,019 meters were drilled all together (production wells not included). In 1983, 135,281 meters of exploratory and demarcation holes were drilled.

8985

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OIL POLICY REPORT URGES INCREASING NORWEGIANIZATION OF FIELDS

Oslo ARBEIDERBLADET in Norwegian 13 Jan 84 p 10

[Article by Nils Ottar Ask, Labor Party Press: "Oil Operations Must be Norwegianized"]

[Text] "The State must have a major responsibility in extracting and exploiting oil resources and oil activity must to an increasing extent be Norwegianized."

"Statoil must continue to be a major instrument for carrying out the authorities' oil policy. Statoil must not be weakened, but strengthened."

"There is neither a necessity nor resources for developing more Norwegian oil companies than Statoil, Norsk Hydro and Saga."

"The production of oil and gas must gradually be stepped up."

"Charting of the shelf north of Stad, including in the Barents Sea and on the Møre coast, must be done quickly. Activity north of Stad must be able to take place year round."

These are the main points of an oil policy report from a committee within the Labor Party. The committee has worked on the report for two years and has had the party's industry policy spokesman, Finn Kristensen, as chairman.

The report, which was presented at a press conference on Friday morning, sums up both what has happened since Norway became an oil nation and draws up lines for what should become the country's oil policy up to the turn of the century.

The committee declares that the oil operations have been a strong stimulant for the Norwegian economy in a time with heavy recession in the international economy. Through the 1970's we managed to develop a national oil background with considerable breadth and competence and to an increasing degree made oil operations a Norwegian branch of industry, it is asserted.

LABOR PARLIAMENT MEMBER URGES STRENGTHENING OF STATOIL

Oslo ARBEIDERBLADET in Norwegian 14 Jan 84 p 7

[Article by Tone B. Jamholt: "Statoil Should Be Strengthened"]

[Text] Statoil must take over at Statfjord as of 1 January 1987. We will say no to all proposals which weaken Statoil's role in oil policy. Statoil is an instrument of the State and different political stands on the company have their basis in various opinions regarding how actively the State should take part in oil operations. We will reject the proposals of the Mellbye Committee which weaken Statoil. It was Storting Representative Finn Kristensen (Labor Party) who expressed such views at a press conference on Friday.

Finn Kristensen chaired a committee in the Labor Party which presented the "Oil and Society to the Year 2000" recommendation. The recommendation was prepared in order to retest the party's oil policy, as a preparation for platform work for the next Storting period and in order to be able to confront current oil policy initiatives from the government.

State's Principal Responsibility

The State's responsibility is completely central in the recommendation. The oil and gas belong to the Norwegian community and are to benefit all. Statoil should, in the committee's opinion, be a major instrument for carrying out the authorities' oil policy. To strengthen control, the committee advocates, for one thing, a technically strong Oil Directorate, strengthening of the Oil and Energy Ministry, and that Saga and Hydro be maintained alongside Statoil.

The committee wants to reach the broadest possible political agreement regarding oil policy, because this is so central in development within industry and technology here at home. Research and technological development are in fact like catchwords in a broadly established policy. In addition, the committee thinks that women should be guaranteed the same opportunities to work in the oil business as men.

Production

Now 50 million tons of oil and gas are being produced annually and how far we are to go in producing oil has been a recurring controversial question. The committee emphasizes that fishing interests must be included in planning. They think that the production level must be stepped up gradually but do not want to set a figure for the pace. Kristensen says that the stepup must take place on the basis of the demand the supplier industry has. The committee believes that it is a central objective of the oil policy to develop an internationally competitive Norwegian supplier industry.

8985

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DSI'S SAYIN ON TURKEY'S HYDROELECTRIC NEEDS

Istanbul DUNYA in Turkish 9 Jan 84 Supplement pp.1, 2

[Interview with State Hydraulic Affairs Director General Sabahattin Sayin]

[Text] DSI [State Hydraulic Affairs] Director General Sabahattin Sayin disclosed that by the time the Ataturk Dam is completed in 1994 Turkey's annual energy needs will be increasing by annual rate equivalent to the amount of electricity the Ataturk Dam will generate.

The share of energy investments has been substantially rising in the expenditures of the DSI, which oversees the construction of hydroelectric power stations. Of the 119 projects currently run by the DSI, 21 are energy related. More importantly, 66 percent of the total value of the projects--nearly 1.9 trillion Turkish liras--are dedicated to energy investments. Of this total amount, 14 percent was spent in 1983, 6.3 percent will be spent by the end of 1984 and the remainder will be spent in 1985 and afterwards. The share of energy in DSI investments was 45.1 percent in 1983 and will be 47.7 percent in 1984.

Outlining the DSI's activities, particularly its work on hydroelectric energy, Director General Sayin said that currently only 11 percent of Turkey's hydroelectric potential is utilized and that even when all the current projects are completed only 34 percent of this potential will be open for utilization. Sayin's answers to DUNYA's questions on DSI's energy-related work were as follows:

DUNYA: Honorable Sayin, could you talk to us about the DSI's work? Where does energy stand in this work?

Sayin: The DSI is a mixed-budget administration set up by Law No. 6200. Its primary function is to prevent water-related damage and to put water to use. To elaborate further on this, the functions of this directorate include: flood control, irrigation, draining swamps, energy generation and related studies, construction and irrigation, operation of non-energy-related flood control systems (the DSI builds the installations generating power for agricultural use and the Turkish Electric Power Enterprise Directorate General operates them), underground water works and providing drinking, utility and industrial water for cities with populations of more than 100,000.

First, let me talk about water resources and land resources related to the development of water resources.

Turkey has an average rainfall of 652.5 millimeters a year. If we multiply this number by Turkey's land area, we see that our country receives a total of 508 billion cubic meters of water each year. Of this amount, approximately 38 percent goes into streams and rivers. In other words, this amount flows into the sea or goes outside our borders. The remaining water either evaporates or goes underground through seepage. The amount of water that goes into rivers and streams is 185 billion cubic meters. We estimate that 95 billion cubic meters of this amount can be used for consumption purposes, but currently only 12 percent of that is being utilized. The usable portion of underground water resources is estimated at 9.5 billion cubic meters, but only 4.6 billion cubic meters are currently used.

DUNYA: What is the hydraulic potential that is suitable for energy generation?

Sayin: That is what I was coming to. Then there is the issue of harnessing the power of the water. The DSI launched systematic studies in this connection within the framework of a program drawn up in the late 1950's. Turkey was divided into 26 catchment basins, and plans were drawn up to build installations to utilize various aspects of each basin and to meet various needs. This work is now complete. According to the conclusions of this work, Turkey's usable hydroelectric potential is around 110 billion kilowatt-hours a year, and a total of 430 hydroelectric power stations can be built. These power plants would have an installed capacity of 30,901 megawatts and would generate 110 billion kilowatt-hours a year. Currently, only 46 plants are in operation which have an installed capacity of 3,220 megawatts and which generate an average of 11,970 million kilowatt-hours a year. In other words, we are utilizing only around 11 percent of our potential.

As for the issue of where we stand in 1984, the work in the program can be divided into three groups. The first group involves 15 hydroelectric power stations under construction; of these, all are dams except one. Their total installed capacity is 6,414 megawatts and their annual power generation capacity is 23,230 million kilowatt-hours. This amount is roughly equivalent to Turkey's total energy production in 1981 and constitutes 21 percent of the country's total potential. Two new installations have also been included in the 1984 program. These two installations will generate a total of 460 million kilowatt-hours a year, which is another 0.42 percent of our total potential. Then we have the installations which were included in the 1984 program but which we could not start because of a shortage of funds. There are 14 of these, and they have a total generating capacity of 2,120 million kilowatt-hours a year, which is 1.93 percent of our total generating potential. Thus, the generating capacity of the installations included in the 1984 program is 23.43 percent of our total potential. If we add these to the existing installations, the utilization rate of our hydroelectric potential will be around 34 percent. The utilization of the remainder is part of the program of future years.

DUNYA: Is the full utilization of our running water potential technically feasible? Can you give us an evaluation in terms of cost and time?

Sayin: Technically, it is feasible. The installations we mentioned here are those which have been decided upon following formal planning work. The issue of when these installations will be built depends on financing.

I believe that one must think as follows: The estimated electricity consumption for 1983 is around 30 billion kilowatt-hours. This amount is projected to rise to 160 billion kilowatt-hours in 2000. It is estimated that Turkey has a total electricity generation potential of 170 billion kilowatt-hours--60 billion kilowatt-hours through thermal resources and 110 billion kilowatt-hours through hydraulic resources. We must also have some backup capacity to meet surging demand in times of excessive heat and cold. If we will have that, we must develop our hydroelectric resources extensively until 2000 even if we include nuclear energy which is part of our program. In view of the fact that it takes 7 to 10 years to build a power plant depending on its size, we do not have too much time to begin building these installations. We must make every effort to develop these resources in the next 10 years.

DUNYA: What is the economic lifetime of existing dams in Turkey?

Sayin: That issue is frequently raised, but I think it is a little exaggerated. Normally, one can say that the Keban, Ataturk and Karakaya dams have indefinite lifetimes. They have the needed capacity to hold the sediments to come from their respective basins. Consequently, it is not correct to say that they will become inoperable. It is impossible to stop the flow of sediments. The lifetime of smaller reservoirs can be estimated at between 50 and 100 years. The issue of becoming unoperational may be valid for thermal power plants but not for hydroelectric power stations. Thermal power plants have certain coal reserves. When they run out of coal they become unoperational. Hydroelectric power plants also have other advantages: they produce no ash and no smoke. That is, they pose no environmental pollution problems. Furthermore, in the event of any malfunctions they can immediately be brought back on line. In such situations, thermal power plants need an initial startup period. Hydroelectric energy is a great blessing for Turkey. If we look at other countries, Norway generates 98 percent of its electricity using hydroelectric resources.

DUNYA: Are hydraulic resources not dependent on weather conditions?

Sayin: I think that the premise that hydraulic resources are dependent on weather conditions is erroneous and for the following reason: In 1982, Keban generated 8.4 billion kilowatt-hours of energy. We had designed the dam, however, for a capacity of 6 billion kilowatt-hours a year. This means that surplus energy was generated that year. Surplus energy means excessive consumption of water which cannot be used in dry years. Of course, there are reasons that made this necessary. If there were adequate installations to feed the energy system, Keban would not have had this overload.

DUNYA: Then can we say that the charge that sluice valves in dams are not opened or closed in phase with rises and drops in the water level is erroneous and that the problem is overusage of water as in the case of Keban?

Sayin: That is entirely correct. There are no problems concerning the early or late opening of the valves. If we want to obtain a certain amount of energy from a certain installation, we must operate as the hydraulic conditions dictate. Therefore, even drawing water from the water cistern must be expected at certain times. In years with high rainfall, the cistern may overflow.

In any case, the planners of hydroelectric projects study the meteorological data of any given region for many years. They first compute the amount of energy that can be drawn from the valley at any time, and then they compute the maximum amount of energy that can be drawn.

If you permit, let me broach one or two other issues related to hydroelectric power stations. We had proposed 9 hydroelectric power stations for 1984. We could not include all these installations in the program. Seven of these proposed installations have a combined generating capacity of 2,500 megawatts and an annual capacity of 7,130 million kilowatt-hours. These projects are awaiting funding. We are also trying to prepare projects for 15 more hydroelectric installations for 1985. If we can complete them, we will have an adequate stock of projects for 1985.

DUNYA: How much foreign financing do these projects need?

Sayin: I do not have any data on foreign resource needs at this moment. However, foreign resources constitute 50 to 55 percent of a plant's costs. Here, we must not forget one point: If we cut back on building plants because of inadequate foreign resources, then we are having to import electricity from Bulgaria and the Soviet Union when we need it. That, too, has to be paid in foreign currency. In debating this issue, it is necessary to evaluate priorities very well. Furthermore, since energy is a commodity that has a steady market, more emphasis must be placed on creating financing resources.

A second point: Turkey's electricity consumption is projected at 160 billion kilowatt-hours a year by 2000. If this consumption is divided by the projected population of that time, per capita consumption will turn out to be 2,372 kilowatt-hours a year. Let me give you some figures for 1981. That year, Turkey's per capita consumption was 549 kilowatt-hours. In the Balkans, per capita electricity consumption in 1981 was: 2,446 kilowatt-hours in Greece, 4,457 kilowatt-hours in Bulgaria, 3,117 kilowatt-hours in Romania, 2,651 kilowatt-hours in Yugoslavia and 733 kilowatt-hours in Albania. The same year, the average per capita consumption in Europe was 4,607 kilowatt-hours. In Norway, it was 21,354 kilowatt-hours; in the Soviet Union, 4,880 kilowatt-hours; in Italy, 3,345 kilowatt-hours; in Spain 2,940 kilowatt-hours; and in West Germany, 6,097 kilowatt-hours. The world average per capita consumption for 1981 was 1,862 kilowatt-hours. In the United States, per capita consumption was 10,438 kilowatt-hours the same year. These figures show that the level we are projecting to reach in 2000 is not too dramatic. If Turkey wants to keep pace with the West, it must find financing resources for these plants at any cost.

DUNYA: I suppose that these demand figures are valid only if the existing industrial structure remains unchanged. Can we say that demand for electricity will grow even more if the industrial structure and production trends are changed?

Sayin: Yes, that would be correct.

DUNYA: Can you give us some information about the Ataturk Dam?

Sayin: The Ataturk Dam is the water collection reservoir of the project we have named the Lower Euphrates Project. This project embodies an installation which

will irrigate 730,000 hectares of land and a hydroelectric power station at the foot of the dam which, at the beginning, will generate 8.9 billion kilowatt-hours of electricity a year. This figure will decline as more water is diverted for irrigation. The dam will be special in terms of its size. With a height of 184 meters, it will be the 5th largest dam in the world in its class. The dam is extremely important from an agricultural viewpoint. From an energy viewpoint, it will be the largest single installation in Turkey. The dam's first unit will become operational in 1991, and the last one will come on line in 1994. However, by 1994, Turkey's electrical energy needs will be increasing at annual rate that is equivalent to the energy to be generated by the Ataturk Dam. Consequently, from then on, Turkey will have to build, each year, an Ataturk Dam or a few installations with an equivalent power production capacity. Therefore, the issue at hand is not just the financing of the Ataturk Dam, but the financing of the entire energy sector. If we cannot find resources to finance the Ataturk Dam, how are we going to meet our energy needs in future years? The public must be better informed on this issue.

DUNYA: What is the place of the Ataturk Dam in the DSI's work?

Sayin: The Ataturk Dam has an important place in the DSI's work. It carries special weight among the 15 installations under construction.

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TPAO OFFICIAL URGES NEW OIL EXPLORATION

Istanbul DUNYA in Turkish 9 Jan 84 Supplement p 3

[Interview with Turkish Petroleum Corporation Director General Ismail Kafescioglu]

[Text] TPAO [Turkish Petroleum Corporation] Director General Ismail Kafescioglu stated that Turkey has reached the end of its petroleum reserves and said: "If new discoveries are not made, Turkey will not be able to produce any oil 5 years later."

Kafescioglu's answers to DUNYA's questions on Turkey's petroleum policy and the TPAO's activities were as follows:

DUNYA: Could you give us an evaluation of TPAO's policies within the framework of Turkey's energy policy?

Kafescioglu: In terms of territory, Turkey is the largest country in Europe after the Soviet Union. It also has the most varied geology in Europe. For that reason, large investments are needed for oil exploration in Turkey. Turkey has limited resources both financially and technically. Although we are ahead of many neighboring countries and even some European countries, this is not enough because of the factors I stated above. The drilling of a well in Hakkari is now in its second year because of the conditions of the terrain. The natural elements prevent us from drilling for 5 months in a year. The drilling of that well will probably continue for third year. In that instance, 360 million Turkish liras were spent for the construction of the road leading to the drilling tower alone.

This particular well, including the road, will cost around 3 billion Turkish liras. Turkey has a need for investments in various areas. Of these, the funds allocated for oil exploration amount to 34 billion Turkish liras. If 3 billion Turkish liras are spent on a single test well, 34 billion Turkish liras would not be adequate to assess Turkey's oil reserve potential. In 1984, we will drill 46 wells. It is impossible to determine Turkey's total oil reserves by drilling 46 wells. Consequently, we must neither fool ourselves by saying that only we are going to look for oil, nor sink into pessimism on grounds that we cannot have any success on our own. In my opinion, the most sensible thing to do is to reach accords with foreigners for the good of the country and to utilize the foreigners' resources and technology. The TPAO has been working on

this issue continually for the last 3 years. Currently, we have agreements and protocols in effect for oil exploration with a Canadian firm in the Black Sea, with a Canadian-U.S. consortium in the Gulf of Saros, with a Swedish firm in the Gulf of Iskenderun and a Scottish firm in the Gulf of Adana. The first test well in the Gulf of Iskenderun will cost \$5 million, and, according to the agreement that we have, the TPAO--and hence Turkey--will not have to pay anything if no oil is found in that well. However, if oil is found, 30 percent of it will belong to the foreign firm and the remaining 70 percent will belong to TPAO. All the agreements we have reached with foreign firms are roughly along these lines; only the percentages of the shares vary. The percentage the foreign firm will get varies in favor of the foreign firm depending on the geological conditions of a particular exploration site. Of these percentages, 35 percent is taken back in the form of income and corporate taxes. In other words, foreign firms will get less than 50 percent of the official percentage rate agreed on--if, of course, oil is found.

DUNYA: Is there a link between rising world oil prices and the increased interest shown to oil exploration despite the high cost of such activities, as exemplified by the Hakkari case? Indeed, offshore oil exploration efforts around the world have intensified.

Kafescioglu: What you say is correct. Interest toward offshore oil exploration is rising. This is not due, however, to the fact that offshore oil mining is now easier, or that offshore oil reserves are more abundant, or that there is a higher likelihood of finding large oil reserves offshore, or that onshore oil reserves are being depleted, or that the likelihood of finding oil on land is declining. This trend is the result of political factors. The Middle East is experiencing highly turbulent times these days. It is extremely difficult to determine the situation in the Middle East simply by looking at Turkey. Because many countries in the Middle East are having severe hardships. For example, currently very little oil exploration, if any, is under way in Iran and Iraq which are at war with each other. These two countries are major oil suppliers to the world market. The economies of both countries have been severely weakened. As for the other producers, there have been sharp declines in production as a result of the continuing oil glut. Some countries have curtailed or stopped oil exports to third countries for political reasons. Consequently, reduced onshore production is entirely the result of man-made problems and measures. As you stated, offshore oil exploration is much more costly than onshore exploration. However, one advantage of offshore exploration is that oil reserves in continental shelves are contained in highly regular layered unspoiled reservoirs. While offshore exploration is costly, offshore production is easier.

DUNYA: There has been a decline in the TPAO's oil production in recent years? Why is that?

Kafescioglu: At the beginning of every year, the Turkish press reports that organizations other than the TPAO have exceeded their preplanned production limits. I am not saying this to criticize anybody, but exceeding targeted production levels means nothing. It is rises or declines over the previous year's production that is significant. Production targets are drawn up by ordinary people.

The TPAO's production declines are declines relative to its program. It is the TPAO that has steadily increased its production over last 3 years. In 1980, the TPAO produced 6,363,703 barrels. This figure rose to 6,797,875 barrels in 1981 and 6,937,246 barrels in 1982. There was an increase of 9.5 percent in production between 1980 and 1982. That is a fact. The 1983 production was lower than that of 1982. The TPAO has held its annual production at around 1 million metric tons for the past 10 years. On the other hand, there are organizations whose production has declined from 2.5 million metric tons to 1 million metric tons over the same period, and they still say that they have increased their production. By the end of the 1960's, Turkey was producing a record level of 3.5 million metric tons a year. At that time, the TPAO was producing 1 million metric tons a year, and it is producing the same amount today. This means that someone is producing less. Naturally, no company has caused this decline deliberately.

DUNYA: How would you rate Turkey's chances to find new oil reserves and the state of current exploration work?

Kafescioglu: With the resources we have in our hands, we will be able to drill 30 test wells in Turkey next year. We might have to move some of them into production. These 30 wells are highly inadequate for today. For comparison, let me note that in Texas alone, 20,000 wells are drilled each year. In Romania, 1,000 wells are drilled each year. This is one of the reasons we want to bring in foreign capital. It is hardly possible to say that we have a major exploration effort under way. But you asked what the resources are and what our chances are. With an area of 776,000 square kilometers, Turkey is the largest country in Europe. The seismic work done in this country has managed to go down to a certain depth. But nothing is known about what lies below depths of 4,000 meters. While we have drilled as deep as 5,900 meters, we have not completed it. Very little is known about what lies below depths of 4,000 meters. We believe strongly that below these depths there exist--there must exist--undeformed geological formations. These formations date back to ancient geological periods. The less these formations are damaged by geological activity, the more likely it is to find oil in them. From this perspective, I acknowledge that exploring oil in Turkey is very costly. As deeper and deeper wells are drilled and as more seismic data is collected, the likelihood of finding new and large reservoirs will increase.

DUNYA: If a choice is to be made on the issue of oil policy, it is necessary to acquire the most advanced technology in the world. This necessitates a government policy. What policies are being formulated in this area?

Kafescioglu: If we look at Turkey's present economic structure, we see that, in the short run, it is cheaper for Turkey to import certain products than to manufacture them domestically. The time has come to formulate a definite policy. However, it must not be forgotten that as a government you have to make choices. If we had a strong economy, a full treasury and abundant supplies of foreign exchange, the only way would naturally be choosing the optimum path dictated by the conditions of the day--as Japan and Germany do. However, for countries like Turkey, which encounter hardships periodically, the only option that can be exercised is to sign long-term contracts which will also be the least expensive. For this reason, this path has been pursued so far. In other

words, always long-term, government-to-government contracts have been signed with three or four countries. Staying basically on the same path would naturally provide a lot of security. Because if you do not have long-term contracts, you have to buy on the spot market at times of crisis, and that can be detrimental to the country's economy. My personal view on this issue is that, while we maintain some of our long-term, government-to-government contracts, we must also import and export through an independent government corporation or some other company. Products must be bought and the surplus must be resold. Today, the refineries are overflowing with fuel oil. Refineries do not have adjustments to enable us to produce, say, more of gasoline and less of something else. That being the case, it is necessary to have a company which will be able to decide on the spot to sell the surplus products on the world market. These things cannot be done through bureaucracy, directives or auctioning. These surplus products must be sold at a profit, and for that, new arrangements are necessary. The classical government corporation image must be dropped, and a completely independent and liberal company, which will have responsibilities as well as matching authority, must be established. The government has the marketing experts who can do this.

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COAST GUARD CONCERNED OVER SPANISH FISHING NEAR SVALBARD

Oslo AFTENPOSTEN in Norwegian 2 Jan 84 p 18

[Text] Unlawful Spanish fishing with illegal equipment in the security zone around Svalbard appears to be a most serious problem for Norwegian authorities on the basis of the coast guard's inspection statistics for 1983. The statistics show that written warnings were given to 29 of the 56 Spanish trawlers checked in the Svalbard zone last year. In addition two boats were reported when they were caught red-handed traveling in the forbidden zone around Bear Island.

The coast guard in North Norway has made a total of 803 inspections on Norwegian and foreign vessels in 1983. That is about 200 more inspections than in the previous year. Of the inspections, 199 took place in the Svalbard zone. Out of the inspected boats 317 were Norwegian. In 1983, 20 Norwegian boats were reported for various violations of the fishing regulations.

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